CROWN INVESTMENTS CORPORATION OF SASKATCHEWAN

ANNUAL REPORT 1991

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LETTER OF TRANSMITTAL

Regina, Saskatchewan
April 30, 1992

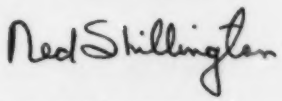
To Her Honour
The Honourable Sylvia O. Fedoruk, O.C., S.O.M.
Lieutenant Governor of the Province of Saskatchewan

Madam:

I have the honour to submit herewith the fourteenth annual report of Crown Investments Corporation of Saskatchewan for the year ended December 31, 1991 in accordance with **The Crown Corporations Act, 1978**. The consolidated and non-consolidated financial statements are in the form approved by the Treasury Board and have been reported on by our auditors.

I have the honour to be, Madam,

Your obedient servant,



Ned Shillington
Minister Responsible
Crown Investments Corporation
of Saskatchewan

BOARD OF DIRECTORS

Hon. Ned Shillington
Chairperson and Minister Responsible
(after March 23, 1992)

Hon. Ed Tchorzewski
Vice-Chairperson

Hon. Dwain Lingenfelter

Hon. Carol Teichrob

Hon. Carol Carson

OFFICERS AND SENIOR MANAGEMENT

Donald R. Ching
Acting President

D. Scott Banda
Associate General Counsel

Donald Axtell
Secretary to the Board

Bill Hyde
Personnel Policy Advisor

David Hughes
Vice-President

Ian Ellis
Director, Corporate Projects

J. Leslie Wright
Director, Accounting Services

Harvey McEwen
Director, Pension and Benefits

CHAIRPERSON'S REPORT

The Crown Investments Corporation of Saskatchewan (CIC) is a much different place from when I was last on the Government side of the House some ten years ago. Since that time our resource based economy has been battered by market forces, some of our flagship corporations have been privatized and the former administration has taken major diversification initiatives by way of direct investments financed by debt and/or provincial loan guarantees.

As I look at CIC today and review its 1991 operating results, I am disheartened by the magnitude of its losses but I still see the Corporation as an important element in the revitalization of the Province's economy.

While privatization has cost the Province dearly, I note that the major corporations that have been privatized, PCS, Cameco and Saskoil, continue to have their head offices in Saskatchewan and represent a major economic force in the Province. Our Government will work closely with these corporations to optimize Provincial economic activity through market penetration, job creation and economic diversification activities.

Our traditional Crown corporations, SaskPower, SaskTel, SaskEnergy and SGI remain in reasonable financial health. We will continue to ask them to provide high quality service at reasonable costs while functioning in a fiscally prudent manner. This will allow them to provide returns to the Province through the payment of dividends to CIC. In addition, the corporations will also be challenged to raise their horizons to global markets where applicable, as well as to make a major contribution to our local communities and their economies.

CIC has a significant class of assets that requires careful scrutiny and management. I am referring to investments, totalling in excess of $1 billion, including the Province's participation in Weyerhaeuser, the NewGrade Upgrader, the Bi-Provincial Upgrader, the Saskferco fertilizer plant, the Meadow Lake pulp mill, as well as the investment commitments in Promavia and Crown Life/HARO.

While in Opposition, we called for tabling of material details pertaining to the above investments because we were not satisfied that the arrangements, in their entirety, served the public interest. I have directed my officials to provide full disclosure of these activities and to place a high priority on the prudent management of these investments. This disclosure will commence with this Annual Report wherein the financial and organizational structure of these projects will be discussed.

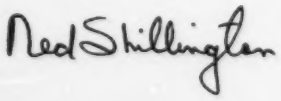
I would like to assure Saskatchewan shareholders that our Government has returned CIC's mandate to one that is strictly commercial. We recognize that certain of CIC's Crown corporations have elements of public policy expenditures in their operations. Such expenditures will be quantified by the Crown corporation and reported to the Legislature.

While we have a strong belief in CIC as a vehicle for growth and diversification, we will in the future operate it in a more fiscally prudent manner within the framework of generally accepted commercial principles. We serve notice that in the future CIC will not absorb all the burden of risk while our joint venture partners, with minimal risk, obtain optimal benefits as has been the case with the previous administration. In addition, we are concerned at the number of unconditional guarantees outstanding which represent a significant contingent liability to CIC and the Province. In the future, unconditional project guarantees will be limited and, if used, will be subject to strict commercial terms and due diligence.

Philosophically, our Government believes that in certain defined circumstances Crown corporations are essential but we also believe that they must be effective and cost conscious. In this regard, we will carefully monitor all Crown corporations to ensure that the people are obtaining quality service for reasonable costs and that our Crown corporations, while meeting Saskatchewan economic objectives, continue to help fund our Treasury. In addition, we will manage our investments from the perspective of a prudent investor to ensure that CIC receives all capital and investment returns due to it.

Finally, I note that the Financial Management Review Commission headed by Mr. Donald Gass, FCA, has established a framework for public disclosure from which no public official shall retreat. I can assure you that CIC will present timely documents which will provide a full and fair representation of its activities.

April 30, 1992



Ned Shillington
Chairperson and Minister Responsible

PRESIDENT'S REPORT

My first objective upon taking office was to gain an accurate and comprehensive understanding of the current status of CIC's operations. This entailed a thorough review of CIC's mandate, its financial and organizational structure and its investment portfolio.

In the course of this review I found a small but dedicated staff dealing with overwhelming problems. CIC's finances were in shambles because of an enormous debt load, questionable investments and one sided agreements. I discovered that CIC was funding activities beyond its mission and commercial mandate as well as other organizational anomalies. In addition, many of CIC's business dealings were structured in such a way to avoid public scrutiny and debate. The Financial Management Review Commission also identified a number of these problems and made recommendations to deal with them. It is CIC's intent to implement the spirit of these recommendations and bring financial accountability back to CIC.

Therefore, immediate priorities were to financially restructure, reorganize, and generally return common sense and fiscal prudence to the operations of CIC. Some of this work has already been completed and is reflected in this Annual Report while other plans have not yet been finalized. With a task of this magnitude it will be appreciated that some of the work is ongoing, the effects of which will be highlighted in subsequent reports.

Let me, in this my first report, outline some of the actions that have been taken.

1. CIC will publicly release audited Non-Consolidated Financial Statements which have never before been made public. These Non-Consolidated Financial Statements are included in this Annual Report.

2. Financial accountability will be restored to CIC commencing with this Annual Report. In this respect, the notes to the Consolidated and Non-Consolidated Financial Statements and the narrative in the Annual Report have been significantly expanded to fully describe CIC's investments. In addition, thorough financial reviews of each investment were performed by Ernst & Young, CIC's external auditors, to determine the appropriate carrying value of CIC's assets. In some cases, appropriate loss provisions were recorded where a decline in the value of investments was identified.

3. CIC's wholly-owned subsidiaries which were incorporated under **The Business Corporations Act (Saskatchewan)** will publicly release annual reports including audited financial statements. This includes SaskEnergy, CIC Industrial Interests Inc. and the Saskatchewan Diversification Corporation.

4. The activities of the Saskatchewan Diversification Corporation will be wound up since CIC's commercial mandate does not provide for the funding of activities which do not have the expectation of profit.

5. Expenditures more appropriately located elsewhere, such as the grant to the Meadow Lake pulp mill, expenses for the Premier's Office, the Buy Saskatchewan Program and the Asia Pacific Foundation, will be removed from CIC's budget.

6. In early 1992, CIC and the Department of Finance developed a strategic plan for the financial restructuring of CIC for purposes of full disclosure and to restore CIC's financial integrity. The restructuring includes:

   - the cancellation of $584 million of equity advances from the Consolidated Fund which will eliminate CIC's non-consolidated accumulated deficit at December 31, 1991;

   - the conversion of $875 million of CIC's debt to non-interest bearing equity advances, thereby reducing CIC's annual interest costs by approximately $90 million; and

   - the provision of an annual budgetary expenditure, estimated at $39 million in fiscal 1992-93, from the Consolidated Fund to CIC for designated losses and the delivery of public policy programs.

7. As mentioned in the Chairperson's Report, the highest priority will be placed on the management of high risk, high cost ventures now in our portfolio. Some of these, like the Bi-Provincial Upgrader, the Saskferco fertilizer plant and the Meadow Lake pulp mill are about to commence production. These ventures are subject to global market forces and utilize technically complex facilities which require special management expertise and favourable world-wide economic conditions to ensure successful operations.

I would like to conclude this report by discussing our 1991 financial results. The Annual Report for 1991 shows a consolidated net loss of $381 million. In 1990, CIC reported consolidated net earnings of $117 million. Such a drastic change requires an explanation.

There were five losses of significant magnitude which caused most of 1991's loss in addition to operating losses incurred by some Crown corporations such as SEDCO ($43 million) and STC ($6 million). These include:

- a loss of $189 million associated with the partial privatization of Cameco Corporation;

- a loss of $64 million as a result of a write down of CIC's investment in the Bi-Provincial Upgrader;

- a loss of $47 million as a result of a write down on the Weyerhaeuser Income Debenture;

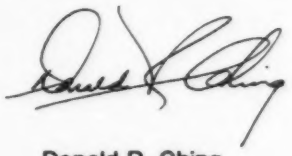
- a grant of $50 million provided to the Meadow Lake pulp mill; and

- a further loss of $70 million on CIC's investment in NewGrade in addition to prior years losses of $162 million.

On a non-consolidated basis, CIC reported a net loss of $615 million in 1991 compared to net income in 1990 of $442 million. CIC's non-consolidated results are detailed in CIC's Non-Consolidated Financial Statements commencing on page 48.

I am hopeful that in the years to come CIC will regenerate trust by managing its affairs prudently and by providing a return to the Province on the investment made in it.

April 30, 1992



Donald R. Ching
Acting President

CROWN INVESTMENTS CORPORATION OF SASKATCHEWAN

Crown Corporations, Subsidiaries and Major Investments

Crown Corporations

CIC Mineral Interests Corporation
(including its investment in Potash Corporation of Saskatchewan Inc.)

Saskatchewan Computer Utility Corporation
(inactive)

Saskatchewan Development Fund Corporation

Saskatchewan Economic Development Corporation

Saskatchewan Forest Products Corporation

Saskatchewan Government Insurance

Saskatchewan Mining Development Corporation
(including its investment in Cameco Corporation)

Saskatchewan Power Corporation

Saskatchewan Telecommunications
(including its investment in ISM Information Systems Management Corporation)

Saskatchewan Transportation Company

Saskatchewan Water Corporation

Subsidiaries

Saskatchewan Energy Holdings Ltd.

CIC Industrial Interests Inc.

Major Investments

Bi-Provincial Upgrader

Saskferco Products Inc.

Meadow Lake Pulp Limited Partnership

Saskatchewan Oil and Gas Corporation

NewGrade Energy Inc.

1991 OPERATIONS OVERVIEW

Crown Investments Corporation of Saskatchewan (CIC) is a Provincial Crown corporation, without share capital, operating under authority of **The Crown Corporations Act, 1978**. CIC is responsible for administering Provincial government policy as it relates to those Crown corporations under its purview with particular emphasis on business efficiency and effective management. Crown corporations are designated as being under the purview of CIC by Order-in-Council. As at December 31, 1991, there were eleven corporations so designated.

Each year since 1978, the financial statements of CIC have been consolidated with the aforementioned Crown corporations, as well as other investments, to provide the Legislature with financial information relating to the aggregate results of these corporations. The corporations provide a wide variety of services and sell various commodities in both domestic and international markets. The diversified nature of the corporations within the consolidated group is such that the operating results can be affected by events and conditions occurring throughout the world. The Consolidated Financial Statements commence on page 23.

In accordance with the recommendations of the Financial Management Review Commission, Non-Consolidated Financial Statements which report the operations of CIC as a separate legal entity have also been included in this Annual Report. Prior to 1991, these "legal entity" financial statements were not tabled in the Legislature. However, commencing in 1991, the Non-Consolidated Financial Statements will be provided in CIC's Annual Report. The Non-Consolidated Financial Statements commence on page 48.

The following pages of this overview provide narrative and financial information pertaining to the commercial Crown corporations under CIC's purview and also the major investments and subsidiaries of CIC which are included in the Consolidated Financial Statements. Further information relating to the commercial Crown corporations is available in their individual annual reports.

CROWN CORPORATIONS

CIC MINERAL INTERESTS CORPORATION (CIC MIC) including its investment in Potash Corporation of Saskatchewan Inc. (PCS Inc.)

Until late in 1989, CIC MIC, previously the Potash Corporation of Saskatchewan, owned, operated or had an interest in five potash mines located in the Province of Saskatchewan. On November 9, 1989, substantially all of the assets and liabilities of CIC MIC were transferred to PCS Inc. in exchange for 100 per cent of PCS Inc.'s common shares. CIC MIC immediately sold 37 per cent of these shares in an initial public offering by secondary distribution and placed a further 31.7 per cent in trust to fulfil the exchangeability feature of the Potash Ownership Bonds issued by the Province of Saskatchewan in 1989. A share issue by PCS Inc. in 1990 and the sale of shares by CIC MIC in 1991, as described in Note 3 to the Consolidated Financial Statements, has significantly reduced CIC MIC's ownership interest in PCS Inc. to 9.4 per cent at December 31, 1991.

The privatization of CIC MIC over the years had significant financial implications. The initial privatization initiative in 1989 resulted in total losses of $441.5 million. The composition of these losses is detailed in CIC MIC's 1989 Annual Report. The issue of shares by PCS Inc. in 1990 resulted in CIC MIC recording a dilution loss of $5.2 million in that year. The sale of shares by CIC MIC in 1991 resulted in a loss of $1.2 million in the current year.

PCS Inc., with its corporate office located in Saskatoon, is the world's largest publicly traded supplier of potash. PCS Inc. has proven reserves of 4.7 billion tonnes of recoverable ore, or enough to produce at capacity for over 100 years using current technology. PCS Inc. reported net earnings of $45.2 million in 1991 compared to $25.4 million in 1990.

CIC MIC's administration is conducted under the direction of its Board of Directors through the use of staff and facilities provided by CIC. CIC MIC reported net earnings of $19.5 million in 1991 compared to $24.1 million in 1990.

SASKATCHEWAN COMPUTER UTILITY CORPORATION (SaskCOMP)

SaskCOMP was inactive during 1991 as substantially all of its assets and liabilities were sold in 1988 as part of the transactions that formed ISM Information Systems Management Corporation (formerly Westbridge Computer Corporation).

SASKATCHEWAN DEVELOPMENT FUND CORPORATION (SDFC)

SDFC was established in 1974 under **The Saskatchewan Development Fund Act** to perform the duties of trustee, custodian and manager for the Saskatchewan Development Fund, an open-end investment trust. In 1976, SDFC expanded its operations to include an annuity business which offered several different types of annuities to the public. SDFC continues to manage the affairs of the Saskatchewan Development Fund although it no longer offers annuities to the public. SDFC's administration is conducted under the direction of its Board of Directors through the use of staff and facilities provided by CIC. SDFC reported net income in 1991 of $126 thousand compared to $170 thousand in 1990.

SASKATCHEWAN ECONOMIC DEVELOPMENT CORPORATION (SEDCO)

SEDCO acts as an agent for the Province in conducting lending and other programs to promote and facilitate economic development and diversification in the Province. The focus of SEDCO's programs is on small business and its priority is to assist in the creation and maintenance of jobs for Saskatchewan people.

Loan approvals were the third highest in SEDCO's 28 year history. Loans approved during 1991 assisted in the creation of 629 new businesses. SEDCO's 1991 loan and construction activities resulted in the creation of 2,153 direct jobs. Wage values related to these jobs were in excess of $52 million, with increased tax revenues accruing to the Province of approximately $3.8 million. Activities initiated in past years continue to produce benefits, maintaining an additional 8,025 jobs with an approximate wage value of $205 million and Provincial tax revenues in excess of $14.4 million.

During 1991, SEDCO entered into a contract to manage and administer all aspects of the Saskatchewan Government Growth Fund (SGGF), a government-administered venture capital fund under the Federal government's immigrant investor program. SGGF acts as a vehicle for foreign investors to invest in businesses located in Saskatchewan and to facilitate the investor's qualification as a permanent Canadian resident.

The year 1991 provided significant challenges for SEDCO. The difficult economic conditions over the past three years continued to impact SEDCO's clients and its operations. As a result, SEDCO took an aggressive stance at year end in evaluating its portfolio of loans, investments and property, making provisions for losses and write downs of $28.2 million. These provisions are reflected in the significantly increased loss of $42.6 million for the year, compared to $19.5 million for 1990.

While SEDCO's loan exposure remains high, it, along with CIC and the Province, is reviewing its mandate and financial structure with a view to minimizing or eliminating future losses.

SASKATCHEWAN FOREST PRODUCTS CORPORATION (SFPC)

SFPC produces dimensional lumber and studs at its Carrot River sawmill and plywood sheathing at its plywood plant at Hudson Bay.

Lumber sales volume in 1991 increased by 35 per cent over 1990 levels, while plywood sales volume increased by 13 per cent.

SFPC recorded a loss of $3.5 million in 1991, compared to a loss of $0.1 million in 1990. The 1991 loss includes a $2.3 million provision for site restoration costs related to an abandoned wood treatment plant site in Prince Albert.

SFPC's operations are currently being reviewed with a view to reducing or eliminating future operating losses.

SASKATCHEWAN GOVERNMENT INSURANCE (SGI)

SGI began 1991 using the new name of "SGI CANADA" for the general insurance portion of its business. SGI CANADA is a competitive property and casualty insurer offering a comprehensive line of insurance products and services to homes, farms and businesses in Saskatchewan. SGI CANADA also offers optional extended automobile insurance protection and coverage beyond the basic compulsory package provided through the Saskatchewan Auto Fund. The Saskatchewan Auto Fund is administered by SGI CANADA on behalf of the Province. SGI CANADA provides its products and services through a network of nearly 500 brokers and issuers throughout the Province.

SGI CANADA had a profit of $15.5 million in a year when most of the Canadian insurance industry experienced underwriting losses. This profit represents an increase of $3.9 million over 1990. Several innovative new products were introduced during the year to meet the changing needs of SGI CANADA's customers and a plan was developed to expand SGI CANADA's share of the general insurance market.

SASKATCHEWAN MINING DEVELOPMENT CORPORATION (SMDC) including its investment in Cameco Corporation (Cameco)

SMDC was transformed in 1988 from an active uranium mining and development corporation to an investment holding company whose primary asset is an ownership interest in Cameco.

Cameco was created in 1988 through the merger of SMDC's operations and those of Eldorado Nuclear Limited, a Federal Crown corporation. SMDC owned a 61.5 per cent interest in Cameco up to July 1991, when Cameco issued 10.4 million common shares pursuant to an initial public offering. This reduced SMDC's ownership interest to 49.2 per cent. Late in 1991, SMDC sold 5.3 million of its Cameco common shares and placed 2.7 million shares in trust to satisfy the possible exercise of outstanding common share purchase warrants issued at the same time. As a result, SMDC's voting interest in Cameco was further reduced to 38.9 per cent. The full exercise of the common share purchase warrants would reduce this interest to 33.8 per cent. These 1991 transactions resulted in a loss of $189 million as more fully described in Note 13 to the Consolidated Financial Statements.

Cameco, with its corporate office located in Saskatoon, is one of the world's largest, low-cost, integrated uranium producers. It operates and owns two-thirds of two of the world's largest, high-grade uranium mines in northern Saskatchewan and obtains a share of production from a third Saskatchewan mine. With its processing facilities in Ontario, Cameco is Canada's only supplier of nuclear fuel conversion services. Cameco reported net earnings in 1991 of $47.9 million compared to $91.6 million in 1990.

SMDC's administration is conducted under the direction of its Board of Directors through the use of staff and facilities provided by CIC. SMDC reported a net loss of $166.3 million in 1991 compared to net earnings of $56.2 million in 1990.

SASKATCHEWAN POWER CORPORATION (SaskPower)

SaskPower's main functions include the generation, purchase, transmission, distribution and sale of electrical energy.

Capital expenditures amounted to $365 million in 1991 compared to $291 million in 1990. The majority of these expenditures were financed from a SaskPower savings bond issue in 1991 which raised $173 million. At the end of 1991, construction of the Shand Power Station was in the final stages of completion. This 300 megawatt station, which has been under construction for five years, is scheduled for commissioning in July 1992. It is one of

Canada's most environmentally advanced coal-fired power stations and is being built using 66 per cent of materials and 88 per cent of labour supplied from Saskatchewan sources.

SaskPower reported net earnings in 1991 of $118 million which was unchanged from 1990. Revenue remained relatively unchanged from 1990 at $674 million. Electrical energy sales were 1.3 per cent higher than 1990. However, this was offset by the full-year impact of rate reductions to small commercial customers. These reductions were implemented in 1990 to make these businesses more competitive with their counterparts in the two neighbouring provinces.

Finance charges were $119 million, the lowest level in a decade. For each dollar of revenue, 18 cents was used to pay finance charges, compared to 20 cents in 1990 and 42 cents in 1986.

SASKATCHEWAN TELECOMMUNICATIONS (SaskTel) Including Its Investment In ISM Information Systems Management Corporation (ISM)

SaskTel is responsible for providing local and long distance voice, data, image and text transmission services to the people of Saskatchewan. Through its membership in Telecom Canada, an association of Canada's major telecommunications companies, SaskTel provides a full range of national and world-wide long distance communications services.

In addition to being a financially successful year for SaskTel, a number of significant events took place during 1991. During the year the ongoing conversion to an all-digital network remained on schedule. At year end, 92 per cent of SaskTel's network access lines were served by computer-driven digital switching systems and 95 per cent of its transmission systems were digital. By 1994, SaskTel will achieve its goal of becoming one of the first telecommunications companies in North America to have a 100 per cent digital network which will help create competitive advantages for business customers and offer greater choice to residential customers.

Throughout 1991, SaskTel International, a wholly-owned subsidiary of SaskTel, continued to pursue new opportunities around the world that capitalized on SaskTel's technical expertise and management strengths. At year end, SaskTel International was involved in a number of projects in Canada, the United States, England, Puerto Rico and Tanzania to build, upgrade or expand telecommunications services. In May, SaskTel International signed a contract to install and integrate a rural telecommunications network in 10 provinces of the Philippines. The $41 million project, the largest to date for SaskTel International, will provide approximately 250 rural communities throughout the Philippines with basic telephone service.

At December 31, 1990, SaskTel owned 4.4 million common shares of ISM (formerly Westbridge Computer Corporation) representing a 58.9 per cent ownership interest. ISM, now the largest information systems management company in Canada, reorganized its operations by combining the systems management operations of STM Systems Corp. of Toronto and Westbridge Computer Corporation of Regina and shedding the personal computer distribution and leasing business. In addition, ISM issued shares to IBM Canada Limited and International Semi-Tech Microelectronics Inc. which reduced SaskTel's ownership interest to 26.2 per cent at December 31, 1991.

ISM reported a net loss of $30.1 million for the year ended March 31, 1991 and reported a net income of $1.1 million for the nine month period ended December 31, 1991. ISM changed its year end from March 31 to December 31.

SaskTel's net earnings for 1991 were $51 million, up from $46.9 million the previous year.

Event Subsequent to Year End

Pursuant to an option clause in an ISM shareholder's agreement SaskTel sold 3.5 million ISM shares to IBM Canada Limited effective April 30, 1992.

SASKATCHEWAN TRANSPORTATION COMPANY (STC)

STC is charged with the responsibility of providing a comprehensive bus transportation service for the people of Saskatchewan. In its 45th year of operation, STC's 62 coaches logged 5.6 million miles transporting thousands of parcel express shipments and safely carrying more than 606 thousand passengers. In addition to a charter service with destinations throughout Canada and the continental United States, STC maintained 52 round-trip schedules within the Province, most of them daily, on 43 route corridors.

STC sustained a $6.5 million loss in 1991 due to mounting costs and the provision of service in excess of demand as a result of the poor economic climate. STC's loss in 1990 was $5.3 million. Past management problems at STC have been addressed and a review of its operations and financial structure is ongoing with a view to reducing or eliminating future operating losses.

SASKATCHEWAN WATER CORPORATION (SASK WATER)

Sask Water's main responsibility and authority is to manage, administer, develop, control and protect the water and related land resources of Saskatchewan. Sask Water has its head office in Moose Jaw and operates from decentralized regional and branch offices in nine other communities throughout the Province.

Sask Water is the funding agency and eventual owner of the Rafferty and Alameda Dams in the Souris Basin. Sask Water also completed construction of two major irrigation projects in the Lake Diefenbaker area in 1991.

Following an evaluation of these and other projects by Sask Water, CIC and the Province, supported by the recommendations of the Financial Management Review Commission, major changes have been proposed to the financing of these projects. The effect of the proposal is to transfer $179.5 million in long and short-term debt from Sask Water to the Province which will effectively treat the capital costs of these projects as public policy expenditures rather than capital assets. This restructuring is subject to certain legislation being enacted. The debt transfer will have a positive effect on Sask Water's financial health as the projects had burdened Sask Water with significant debt for which it had no revenue streams available to retire the debt.

For the year ended December 31, 1991, Sask Water had net earnings of $0.8 million compared to $0.6 million in 1990. In 1991 Sask Water received a grant of $13.3 million from the Province to fund various water management programs.

SUBSIDIARIES

SASKATCHEWAN ENERGY HOLDINGS LTD. (SEHL)

SEHL, wholly-owned by CIC, operates a province-wide natural gas distribution system through a wholly-owned subsidiary, SaskEnergy Incorporated, and a transmission system through another subsidiary, TransGas Limited. These systems provide service to over 291 thousand residential, commercial and industrial customers. SEHL's vast pipeline system is comprised of over 58 thousand kilometres of distribution lines and 12 thousand kilometres of transmission lines.

Capital expenditures for 1991 were $113 million compared to $62 million for 1990. During 1991, SEHL completed the Rosetown to Regina pipeline, a major transmission project.

Key initiatives by SEHL to promote non-traditional uses of natural gas were undertaken including a technical assessment of the potential market for co-generation, a feasibility study of Natural Gas Vehicles and the establishment of a provincial Natural Gas Appliance and Equipment Dealer Association network.

SEHL's net income for 1991 was $27 million which was $2 million higher than the 1990 net income of $25 million. Although revenue was lower in 1991, partially due to customers moving

to purchase natural gas from sources other than SEHL, this lower revenue was offset by lower expenses primarily in the area of cost of gas where SEHL benefited from lower natural gas prices. SEHL's continued commitment to lower expenses and efficient operations will ensure its status of having the second lowest natural gas rates in Canada.

Event Subsequent to Year End

A major financial issue facing SEHL in 1991 was its high level of debt. As of December 31, 1991, approximately 89 per cent of SEHL's long-term financing was in the form of long-term debt and only 11 per cent in the form of equity. Such a disproportionately high level of debt meant high debt service costs and an increased exposure to higher interest rates as the debt matures.

In 1992, SEHL entered into a Memorandum of Undertaking with CIC, the Province and SaskPower whereby $226 million of long-term debt will be transferred to SaskPower on July 1, 1992. This debt relates to SEHL's purchase of assets from SaskPower in 1988 and 1989. Removing this debt will significantly strengthen the financial position of SEHL and allow it to continue its high level of customer service.

CIC INDUSTRIAL INTERESTS INC. (CIC III)

CIC III was incorporated in 1979 under **The Business Corporations Act (Saskatchewan)** as a wholly-owned subsidiary of CIC. CIC III was created as a vehicle to own certain investments in entities of a commercial nature which involved some degree of private ownership. The investments held by CIC III are described below.

CIC III had a very difficult year financially, recording a non-consolidated net loss of $160.6 million for the year ended December 31, 1991, compared to non-consolidated net earnings of $53.4 million the previous year. The 1991 loss resulted primarily from the provision for decline in value of its investments in the Bi-Provincial Upgrader Joint Venture and the Weyerhaeuser Canada Ltd. Income Debenture in addition to the grant provided to the Meadow Lake Pulp Mill.

Bi-Provincial Upgrader Joint Venture (Bi-Provincial Upgrader)

The Government of Saskatchewan entered into an agreement with the Government of Canada, the Government of Alberta and Husky Oil Ltd. on September 2, 1988 to finance, build and operate a heavy oil upgrader to be located near Lloydminster, Saskatchewan. CIC III holds the Province's 17.5 per cent participating interest in the project. The total construction cost of the upgrader (which will produce approximately 46 thousand barrels of upgraded crude oil per day) was originally estimated to be $1.267 billion but was increased by $175 million to $1.442 billion in August 1991 as a result of a reforecast of construction costs undertaken in the spring of 1991.

CIC III's current obligations under the agreements are to provide 17.5 per cent of $1.267 billion, or $221.7 million, in the form of non-interest bearing cash equity; 17.5 per cent of the $175 million cost overrun, or $30.6 million, in the form of cash equity bearing interest at commercial bank prime lending rates; plus up to 17.5 per cent of a $50 million revolving operating line of credit, or $8.8 million, in the form of non-interest bearing cash advances. CIC III had invested $197.5 million in the Bi-Provincial Upgrader as of December 31, 1991.

Construction progress was approximately 79 per cent complete as of December 31, 1991 with full operations start-up planned for November 1992. The project is expected to create 8.5 million manhours of employment during construction, 300 permanent jobs once operational and an additional 1,500 jobs at crude oil recovery sites, primarily at Lloydminster and Cold Lake.

The economic outlook for the Bi-Provincial Upgrader is bleak when considering today's long-term oil price forecasts. Current economic projections indicate that CIC III's investment will only be re-couped after 25 years of operations. Substantial financial risks also exist with respect to completing construction and start-up of this technically complex upgrader. This has prompted CIC III to record a provision for a

decline in the value of this investment of $63.9 million at December 31, 1991. This provision is described in detail in Note 13 to the Consolidated Financial Statements.

Event Subsequent to Year End

Subsequent to December 31, 1991, construction cost estimates have been increased a further $190 million to $1.632 billion.

Saskferco Products Inc. (Saskferco)

Saskferco is a company incorporated in Saskatchewan with its head office in Regina. Saskferco's manufacturing complex under construction near Belle Plaine will be capable of producing nitrogen based fertilizer using natural gas feedstock. The product, for use primarily in agricultural markets, will be available to service markets in Canada, the northern tier United States, as well as offshore.

The plant will have a daily capacity of 1,500 tonnes of anhydrous ammonia, most of which will be upgraded at the plant to produce two thousand tonnes of granular urea on a daily basis. At full capacity the plant will be producing 125 thousand tonnes of ammonia and 660 thousand tonnes of urea annually for sale. Capital costs to start-up were originally estimated to be $435 million. At year end there were no indications of a material variance from this estimate.

Construction, which began in May 1990, is expected to generate two million manhours of employment. Once operations commence in the fall of 1992, 130 permanent jobs will have been created at the plant. Construction progress was approximately 62 per cent complete at December 31, 1991.

CIC III owns 49 per cent of Saskferco in the form of Class B shares, Cargill Limited (Canada) owns 50 per cent in the form of Class A shares and Citibank Canada owns 1 per cent in the form of Class C shares. The Class A and B shares rank equally in all respects including voting rights and dividends. Class C shares also have voting rights and are entitled to a cumulative preferred dividend. Each shareholder will contribute equity to Saskferco in proportion to their ownership interest. CIC III had advanced $38.1 million of its original $64 million commitment to December 31, 1991.

The project will be financed with 30 per cent equity capital totalling $130 million and 70 per cent long-term debt totalling $305 million. Of the total long-term debt, $267 million, in the form of Medium Term Notes, plus any outstanding interest, is guaranteed by the Province. In return, the Province receives a fee based on the guaranteed debt outstanding. The remaining $38 million, in the form of a line of credit with a chartered bank, is guaranteed by CIC. The agreements provide that cash flow will be allocated on a priority basis to the reduction of the guaranteed debt.

In addition to the $305 million guarantee, the Province may, in certain circumstances, be obligated to provide additional financial support by way of a loan to Saskferco, in an amount of up to 15 per cent (to an aggregate maximum of $30 million) of the outstanding principal from time to time under the guaranteed Saskferco term debt, to pay scheduled interest and principal on such debt to the extent Saskferco is unable to do so because of a cash deficiency. Any such loan that may be necessary is to be repayable by Saskferco to the Province on a priority basis and will bear interest at a chartered bank's prime rate plus one per cent per annum.

Furthermore, CIC III may, in certain circumstances, be obligated to provide additional financial support as follows:

- together with the other Saskferco shareholders, its pro rata share (49 per cent) of up to $10 million of further equity to the extent required to fund any construction cost overruns that may occur; and

- together with Cargill Limited, 50 per cent of up to $5 million of further equity to the extent required to fund any working capital deficiencies that may occur during the start-

up period and which cannot be financed under Saskferco's unguaranteed operating line of credit.

The repayment to the Province of any amounts that may be advanced under the $305 million guarantee or under any loan of the nature referred to above is secured by a first charge and security interest on the land, personal property and shares of Saskferco which has been granted to the Province.

Meadow Lake Pulp Limited Partnership (Meadow Lake Pulp Mill)

CIC Pulp Ltd., a wholly-owned share capital subsidiary of CIC III, and Millar Western Industries Ltd. (Millar Western), an Alberta-based corporation, formed a partnership in 1990 to construct and operate one of the world's first zero effluent chemi-thermomechanical pulp (CTMP) mills to be located 9.5 kilometres east of Meadow Lake. The unique manufacturing process does not discharge any effluent into rivers and streams nor does it produce dioxins or noxious odours. The amount of water that will be necessary to operate the mill is approximately 80 per cent less than normal requirements for a CTMP mill. The mill will use 100 per cent aspen as the fibre source to produce 240 thousand tonnes annually of hydrogen peroxide bleached chemi-thermomechanical wood pulp. The wood pulp produced will be sold in Canada and the United States, as well as world wide.

The construction and start-up costs were estimated at $361.5 million with a significant portion of the costs committed to environmental protection. Current estimates indicate that the final project costs will be slightly less than the budgeted amount. Construction of the facility commenced in March 1990. The mill commenced production of on-spec pulp in January 1992, which was ahead of schedule. The mill is currently surpassing budgeted production figures.

During construction, 1.65 million manhours of employment were provided. 180 new permanent jobs will be created at the mill itself and it is expected that an additional 150 jobs will be created in the woodlands to supply the timber requirements for the mill. Meadow Lake Pulp Mill and NorSask Forest Products Inc. have formed Mistik Management to manage the forest resource for the benefit of the whole community.

CIC Pulp Ltd., a 49 per cent partner in the Meadow Lake Pulp Mill, contributed $9.8 million in equity while Millar Western, owner of the remaining 51 per cent, contributed $10.2 million in equity. CIC III also provided $50 million to the Meadow Lake Pulp Mill in the form of a non-repayable infrastructure contribution. This amount has been written off by CIC III. In addition, CIC III agreed to provide a maximum of $191.5 million in long-term loans as well as a guarantee for 49 per cent of a $2 million revolving operating line of credit.

CIC III had advanced $132 million of its long-term loan commitment as of December 31, 1991. The long-term loans mature in the year 2014. The payment of interest and repayment of principal on these loans is subject to cash availability as defined in the loan agreements. The long-term loans are secured, through a Participating Debenture, by a second fixed charge and security interest on all assets of every kind and nature owned or acquired by Meadow Lake Pulp Mill.

Although pulp prices are currently at a cyclical low, they are at present rebounding which improves the outlook for the project's economics.

CIC III also owns a 49 per cent interest in Millar Western Pulp (Meadow Lake) Ltd., established to act as manager for Meadow Lake Pulp Mill.

Promavia International Corporation (PIC)

On August 21, 1991 a Memorandum of Agreement was signed between CIC III, Promavia S.A. and PIC which defined the project and set out conditions to be met in order for the project to proceed to the operations phase. Promavia S.A. is a Belgian company that proposes to transfer its headquarters and assets, including its rights, title and interest with respect to the ownership, development, testing,

manufacturing and marketing of the Jet Squalus and ATTA jet trainer aircraft, to a newly created company, PIC. The goal is to establish an assembly plant for the "Squalus" in Saskatoon which would be responsible for supplying the world market. Other activities performed by PIC would entail further development of the ATTA advanced trainer and the establishment of a Jet Air Academy. It is estimated that over 400 jobs would be created at PIC alone as well as generating work for many Saskatchewan and Canadian sub-contractors.

Subsequent agreements were concluded where CIC III would provide equity to PIC of $4 million U.S. and a long-term loan of $18 million, subject to, among other conditions, PIC raising $22 million U.S. in private sector equity. The long-term loan would be secured, through a Participating Debenture, by a fixed mortgage and security interest on all assets owned or subsequently acquired by PIC subordinated to a first charge by the financial institution that provides an operating loan to PIC when such financing is finalized. In addition, CIC III agreed to provide interim financing to PIC of $2.3 million, $1.9 million of which was advanced to December 31, 1991. The success or timing of PIC meeting the conditions stipulated is not determinable.

Saskatchewan Oil and Gas Corporation (Saskoil)

Saskoil is a Saskatchewan based senior Canadian oil and gas producer. Prior to December 1985, Saskoil was a provincial Crown corporation operating under **The Saskatchewan Oil and Gas Corporation Act**. In December 1985, Saskoil was continued under **The Business Corporations Act (Saskatchewan)** and became a share capital corporation.

Saskoil has had several public share issues since December 1985. This, along with the sale of 10 million shares in 1990 by CIC III, has reduced CIC III's interest in Saskoil to 5.8 million shares representing a 9.4 per cent voting interest at December 31, 1991.

National Pig Development (Canada) Co. Ltd. (NPD)

NPD was incorporated in the early 1980's as a privately-owned pig breeding stock company. The Agricultural Development Corporation of Saskatchewan (Agdevco) became involved with NPD in 1989 by acquiring voting common shares, non-voting preferred shares, providing a long-term loan and providing a shareholder loan to NPD for a total investment of $2.6 million. As part of the winding-up of Agdevco in 1990, the entire investment in NPD was transferred to CIC III. At December 31, 1991, CIC III owned a 56.7 per cent voting interest in NPD.

Saskatchewan Diversification Corporation (SDC)

SDC was incorporated under **The Business Corporations Act (Saskatchewan)** in April 1990 as a wholly-owned subsidiary of CIC III. SDC's mandate is to seek partnerships with private business to expand and diversify Saskatchewan's economic base by coordinating and consolidating the Government's economic diversification activities, ensuring that Saskatchewan producers and suppliers fare well in the field of public purchasing, administering the Community Bond Program and assisting in implementing economic diversification projects. SDC also invested in the equity of a number of private enterprises in fulfilling this mandate.

Since its inception, SDC had a low level of public accountability, invested in ventures without adequate public scrutiny and had no commercial mandate. Consequently, SDC will be wound up in 1992.

Agdevco International Inc. (Ag. Inc.)

Ag. Inc. is a wholly-owned share capital subsidiary of CIC III transferred to CIC III as part of the winding-up of Agdevco. Ag. Inc. has a 25 per cent interest in the Crescent/Agdevco Joint Venture which is involved in two drainage projects in Pakistan. Ag. Inc. was inactive during 1991.

CMB Fertilizer Inc. (CMB Fertilizer)
586643 Saskatchewan Ltd. (586643 Sask.)
SGI Canada Insurance Services Ltd. (SGI Canada)

These corporations, incorporated under **The Business Corporations Act (Saskatchewan)** are wholly-owned by CIC III at December 31, 1991. CMB Fertilizer was inactive during 1991 and had no assets. 586643 Sask.'s only asset was 2,556 common shares of Cameco which were sold to CIC III in December 1991. SGI Canada was created late in 1990 as part of the contemplated privatization of certain operations of SGI.

IPSCO Inc.

CIC III owns 100,000 common shares of IPSCO Inc. as an investment. These shares represent less than a one per cent voting interest. In addition, CIC has unconditionally guaranteed the payment of indebtedness incurred by IPSCO Inc. under the terms of an operating lease which expires in 2007. The liability of CIC under the guarantee is limited to $65 million.

Weyerhaeuser Canada Ltd. (Weyerhaeuser) Income Debenture

In 1986, certain operating assets of Meadow Lake Sawmill Ltd. (amalgamated with CIC III in 1988), including the pulp mill located in Prince Albert, were sold to Weyerhaeuser in exchange for an Income Debenture with a principal amount of $236.6 million. The agreements provided for the construction of an integrated modern paper mill at the pulp mill site as well as other diversification and modernization projects.

No principal payments have been made on the Income Debenture and no interest payments have been made since 1988. Such payments are subject to complex cash flow and cash availability formulas defined in the Income Debenture. As a result, CIC III has recorded a provision for decline in value of the Income Debenture of $47.3 million at December 31, 1991.

Upon maturity of the debenture in the year 2015, any outstanding unpaid principal or interest may be exchanged for equivalent value preferred shares issued by Weyerhaeuser. These shares are to be redeemed based on a cash availability formula and are subject to retraction 25 years from the date of issue.

Cornwall Centre Mortgages

CIC III owns two mortgages due from the Cadillac Fairview Corporation Limited with total principal outstanding of $41.4 million at December 31, 1991. These mortgages, due December 1, 2001, were advanced as part of the development and construction of the Cornwall Centre in downtown Regina.

Dairy Producers Co-operative Limited (DPCL) Loan

During 1990, CIC III provided a loan of $10 million to DPCL to assist in financing the purchase of certain dairy assets located in Manitoba. DPCL is a dairy farmers co-operative which utilizes milk produced by its members for processing fluid milks and creams and the manufacturing of a full line of dairy products. The loan is secured by a specific charge on certain of DPCL's properties and a fixed and floating debenture on all other of DPCL's assets subject to first charges by two other lenders.

NEWGRADE ENERGY INC. HEAVY OIL UPGRADER (NewGrade)

NewGrade was established to construct, own and operate a heavy oil upgrader in Regina. NewGrade's outstanding voting shares are owned 50 per cent by the Province of Saskatchewan through CIC and 50 per cent by Consumer's Co-operative Refineries Limited (CCRL).

NewGrade is designed to process 50 thousand barrels per day of heavy crude oil to provide upgraded crude oil (Reconstituted Crude) to CCRL as a feedstock to their refinery for processing into refined products. The Reconstituted Crude meets CCRL's feedstock requirements to produce refined products, including propane, butane, gasoline, diesel fuel and furnace oil as well as anode-grade quality coke as a by-product. Any excess Reconstituted Crude not required by CCRL to produce refined products is further processed into synthetic crude for sale by NewGrade to other refineries.

The project cost was initially budgeted at $793.8 million of which 80 per cent, or $635 million, was in the form of debt and $158.8 million was in the form of equity.

An equal number of voting non-participating shares have been issued to each of CIC and CCRL for a nominal subscription price. CIC has contributed $154 million of equity through the subscription of participating non-voting shares and other securities (collectively the "Securities") in NewGrade. CCRL has been granted an option to purchase certain of these Securities from CIC at cost by utilizing dividends, or other like distributions, from NewGrade on the Securities being purchased. In effect, such an acquisition of these Securities by CCRL would result in any NewGrade profits which may be available for distribution to shareholders being shared equally between CCRL and CIC.

The total term debt of $635 million is guaranteed 56.693 per cent by the Province to a maximum of $360 million and 43.307 per cent by the Government of Canada to a maximum of $275 million.

Construction of the upgrader was substantially completed in 1988 and was essentially on time and on budget. Operation of the plant started in November 1988 and, although it was anticipated that consistent full production capacity would be achieved in 1989, various operational difficulties encountered throughout 1989 and 1990 prevented this goal from being met. However, the complex has been operating more or less consistently at full production capacity since July 1991.

The start-up problems resulted in material cash deficiencies which were rectified exclusively by CIC through additional financing totalling $78 million. CIC has made total investments in NewGrade of $232 million to December 31, 1991. This includes 100 per cent of the subscription price for the Securities as well as the incremental $78 million noted above. The continued operating difficulties and cash losses have resulted in CIC having written down its entire investment in NewGrade to nil at December 31, 1991.

In the event of default the Province would be called on its guarantee of $360 million, plus interest. The Government of Canada may, in the event of default, make a claim against the Province for a portion of Canada's exposure under its guarantee. The Province's only recourse is to the assets of NewGrade which, for realization, would have to be removed from CCRL's property and sold. As a result, the Province would likely only re-coup a fraction of its guaranteed obligation.

The significant losses generated by this investment and the economic viability of the project are of grave concern to CIC and the Province. The Financial Management Review Commission shares this concern and urges active monitoring of this investment. However, it recognizes that NewGrade's structure makes this very difficult. This structure is such that CCRL owns and operates its refinery and also owns the site where the upgrader facility is located. In addition, CCRL has exclusive operating control

over NewGrade while CIC has provided substantially all the funding. This has resulted in conflicts. The Financial Management Review Commission's report identified this and states that (Chapter 5, Page 79):

"The Province's ability to monitor the performance of this project and to work with its joint venture partner (CCRL) to reduce its financial exposure is severely restricted under the agreement. It is therefore not actively involved in the operations management of the project and on NewGrade's Board, a strained relationship appears to have developed between the two parties."

The Province and CIC are reviewing all of their options with a view to limiting their financial exposure on this project.

CROWN LIFE/HARO

CIC has been designated by the Province to function as the lead agency to facilitate the Crown Life Insurance Corporation/HARO Financial Corporation transaction. During 1991, CIC negotiated, on behalf of the Province, the guarantee and loan arrangements with HARO.

HARO is a Regina-based company created for the purpose of acquiring a significant ownership interest in Crown Life and arranging for the relocation of the head office operations of Crown Life to Regina. The founding shareholders of HARO are Harvard Developments and the Denro Group, both based in Regina. They will own five per cent and one per cent of HARO's equity respectively.

Crown Life is obligated to relocate its head office to Regina no later than December 31, 1993. Subject to Crown Life meeting certain milestones respecting this relocation, HARO has agreed to pay Crown Life $250 million for $200 million of Convertible Preferred Shares and $50 million of Warrants which are exercisable into additional Convertible Preferred Shares. HARO will also receive, for nominal consideration, a special class of preferred shares which will enable HARO to veto any move of the head office operations of Crown Life to a place outside Saskatchewan until the year 2031.

To initially fund its investment obligations to Crown Life and to fund its ongoing operations, HARO arranged a $290 million credit facility with a Canadian chartered bank. This facility provided $75 million and letters of credit in the amount of $125 million for the purchase of the Crown Life shares. It also provided $50 million for the purchase of the Warrants. The Province has provided a $305 million guarantee to support the credit facility and a $50 million guarantee to support the purchase of the Warrants.

As at December 31, 1991, HARO had drawn down loans on the guaranteed credit facility to the extent of $83.4 million, in addition to the $125 million in letters of credit. The credit facility with a Canadian chartered bank expires on December 31, 1992.

As security for its guarantees, the Province has, directly from HARO and indirectly through the Canadian chartered bank, a first ranking security on 94 per cent of HARO's shares and on the Crown Life shares and warrants purchased by HARO. The Province's realization options in respect of its security will be limited because of certain contractual provisions and certain regulatory provisions in U.S. and Canadian law.

The Province and HARO have also entered into a Financing Agreement under which the Province has agreed to provide, no later than December 1, 1992, financial assistance to HARO in refinancing the Canadian chartered bank credit facility. Such financial assistance may take the form of guarantees of debt instruments issued by HARO or direct loans to HARO. In respect of financial assistance provided under the Financing Agreement, the Province will retain its first ranking security over HARO and Crown Life shares as described above. Therefore, the final structure that this transaction will take is not determinable at this time. As a result, this transaction has not been reflected in the Consolidated Financial Statements.

CROWN INVESTMENTS CORPORATION OF SASKATCHEWAN

Five Year Consolidated Financial Summary

	1991	1990	1989	1988	1987
Total Assets (in millions)	$ 7,082	$ 6,864	$ 6,824	$ 7,283	$ 7,173
Total Revenues (in millions)	$ 1,759	$ 1,750	$ 2,042	$ 2,145	$ 2,114
Net Income (Loss)(in millions)	$ (381)	$ 117	$ (161)	$ 435	$ 104
Interest Costs as a per cent of Total Revenues (%)	29.8	27.0	22.5	22.6	24.6
Debt as a per cent of Total Assets (%)	71.1	62.5	65.5	63.7	62.0
Debt to Equity Ratio	5.8:1	3.8:1	3.2:1	2.8:1	4.3:1

CROWN INVESTMENTS CORPORATION OF SASKATCHEWAN

CONSOLIDATED FINANCIAL STATEMENTS 1991

Responsibility for Financial Statements

The management of Crown Investments Corporation of Saskatchewan is responsible for the integrity of the accompanying consolidated financial statements and all other information in this Annual Report. It is the responsibility of management to prepare financial statements in accordance with generally accepted accounting principles in Canada.

The integrity of the financial records from which these financial statements are prepared is largely dependent on the systems of internal accounting controls. The purpose of such systems is to provide reasonable assurance that transactions are executed in accordance with proper authorization, transactions are appropriately recorded in order to permit preparation of financial statements and assets are properly accounted for and safeguarded against loss from unauthorized use. Underlying this concept of reasonable assurance is the fact that limitations exist in any system of internal accounting controls based on the premise that the cost of such controls should not exceed the benefits derived therefrom.

The consolidated financial statements have been audited by the independent firm of Ernst & Young, Chartered Accountants. Their report to the Members of the Legislative Assembly, stating the scope of their examination and opinion on the consolidated financial statements, appears on the next page.

The Board of Directors has reviewed and approved these consolidated financial statements. To assist the Board in meeting its responsibility, it has appointed an Audit Committee which meets periodically with management and with the independent auditors to review internal accounting controls, audit results and accounting principles and practices.

Donald R. Ching
Acting President

J. Leslie Wright
Director, Accounting Services

CROWN INVESTMENTS CORPORATION OF SASKATCHEWAN

CONSOLIDATED FINANCIAL STATEMENTS 1991

Auditors' Report

To the Members of the Legislative Assembly
Province of Saskatchewan

We have audited the consolidated statements of financial position of **Crown Investments Corporation of Saskatchewan** as at December 31, 1991 and 1990 and the consolidated statements of operations and reinvested earnings (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 1991 and 1990 and the results of its operations and the changes in its financial position for the years then ended in accordance with generally accepted accounting principles.

Ernst + Young

Regina, Canada
April 30, 1992

Chartered Accountants

CROWN INVESTMENTS CORPORATION OF SASKATCHEWAN

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at December 31

	1991	1990
	(thousands of dollars)	
ASSETS		
Current		
Cash	$ 39,816	$ -
Short-term investments	415,223	92,069
Accounts receivable	293,128	325,401
Inventories	32,794	34,643
Prepaid expenses	82,565	84,811
	863,526	536,924
Long-term investments (Note 3)	1,647,296	2,023,614
Property, plant and equipment (Note 4)	4,431,974	4,201,148
Other assets (Note 5)	139,479	101,929
	$ 7,082,275	$ 6,863,615
LIABILITIES AND PROVINCE'S EQUITY		
Current		
Bank indebtedness	$ -	$ 423
Accounts payable and accrued liabilities	480,431	441,534
Notes payable (Note 6)	348,857	348,652
Dividend payable	-	299,500
Deferred revenue	78,424	88,549
Long-term debt due within one year (Note 7)	486,866	1,071,285
	1,394,578	2,249,943
Deferred revenue and other liabilities (Note 8)	273,716	269,662
Long-term debt (Note 7)	4,550,215	3,216,802
	6,218,509	5,736,407
Province of Saskatchewan's Equity		
Equity advances (Note 9)	1,142,871	1,024,881
Reinvested earnings (deficit)	(279,105)	102,327
	863,766	1,127,208
	$ 7,082,275	$ 6,863,615

Commitments and contingencies (Note 10)

(See accompanying notes)

On behalf of the Board: Ned Shillington, Director , Director

CROWN INVESTMENTS CORPORATION OF SASKATCHEWAN

CONSOLIDATED STATEMENTS OF OPERATIONS AND REINVESTED EARNINGS (DEFICIT)

For the Year Ended December 31

	1991	1990
	(thousands of dollars)	
REVENUE		
Sales of products and services	$ 1,665,893	$ 1,668,233
Investment income	61,441	53,650
Other	31,712	28,487
	1,759,046	1,750,370
EXPENSES		
Operating costs other than those listed below	955,193	940,614
Interest (Note 11)	525,083	472,476
Depreciation	236,012	228,083
Saskatchewan taxes and resource payments (Note 12)	71,521	69,452
	1,787,809	1,710,625
Income (loss) before non-recurring items	(28,763)	39,745
Non-recurring items (Note 13)	(352,669)	77,207
Public policy expenditures adjustment (Note 14)	-	-
NET INCOME (LOSS)	(381,432)	116,952
REINVESTED EARNINGS, BEGINNING OF YEAR	102,327	470,375
	(279,105)	587,327
DIVIDENDS TO SASKATCHEWAN HERITAGE FUND	-	485,000
REINVESTED EARNINGS (DEFICIT), END OF YEAR	$ (279,105)	$ 102,327

(See accompanying notes)

CROWN INVESTMENTS CORPORATION OF SASKATCHEWAN

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Year Ended December 31

	1991	1990
	(thousands of dollars)	
OPERATING ACTIVITIES		
Income (loss) before non-recurring items	$ (28,763)	$ 39,745
Add (deduct) non-cash items		
Depreciation	236,012	228,083
Sinking fund earnings	(52,422)	(42,002)
Other non-cash items	23,802	15,081
	178,629	240,907
Net change in non-cash working capital balances related to operations	(274,014)	292,088
Cash provided by (used in) operating activities	(95,385)	532,995
INVESTING ACTIVITIES		
Investments - purchases	(428,995)	(224,569)
- sales and collections	462,637	269,862
Fixed assets - purchases	(678,345)	(557,250)
- proceeds on sale	5,050	8,462
Increase in other assets	(47,525)	(5,071)
Cash used in investing activities	(687,178)	(508,566)
FINANCING ACTIVITIES		
Public policy expenditures adjustment (Note 14)	-	-
Increase in notes payable	151,175	203,741
Increase in deferred revenue and other liabilities	22,400	31,579
Long-term debt proceeds		
Province of Saskatchewan	1,685,760	25,847
Other lenders	173,225	126,343
Long-term debt repayments		
Province of Saskatchewan	(891,224)	(255,787)
Other lenders	(137,024)	(42,881)
Equity advances from Saskatchewan Heritage Fund	117,990	84,024
Dividends paid to Saskatchewan Heritage Fund	(299,500)	(185,500)
Cash provided by (used in) financing activities	822,802	(12,634)
NET INCREASE IN CASH DURING YEAR	40,239	11,795
CASH POSITION, BEGINNING OF YEAR	(423)	(12,218)
CASH POSITION, END OF YEAR	$ 39,816	$ (423)

(See accompanying notes)

CROWN INVESTMENTS CORPORATION OF SASKATCHEWAN

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 1991

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The preparation of periodic financial statements necessarily involves the use of estimates and approximations because the precise determination of financial data frequently depends upon future events. These consolidated financial statements have been prepared by management within reasonable limits of materiality and within the framework of the accounting policies summarized below:

a) Consolidation principles and basis of presentation

Certain Saskatchewan provincial Crown corporations are subject to Part II of **The Crown Corporations Act, 1978** (the Act). The Act assigns specific financial and other responsibilities regarding these corporations to Crown Investments Corporation of Saskatchewan (CIC). CIC is responsible for the Province's investments in designated commercial Crown corporations. These Crown corporations pay dividends to CIC upon CIC's direction. Due to the significance of these Crown corporations and their relationship to CIC, the presentation of consolidated financial statements, including the accounts of designated Crown corporations, is considered to be the appropriate basis of presentation of the financial position and operations of CIC. Separate financial statements for CIC and each of the undernoted Crown corporations are prepared and submitted annually to the Legislative Assembly.

The following Crown corporations, which do not have share capital, have been designated as subject to Part II of the Act by Order-in-Council 630/84 (amended by 874/84) and their accounts have been consolidated in these financial statements.

CIC Mineral Interests Corporation
Saskatchewan Computer Utility Corporation
Saskatchewan Development Fund Corporation
Saskatchewan Economic Development Corporation
Saskatchewan Forest Products Corporation
Saskatchewan Government Insurance
Saskatchewan Mining Development Corporation
Saskatchewan Power Corporation
Saskatchewan Telecommunications
Saskatchewan Transportation Company
Saskatchewan Water Corporation

In addition to the Crown corporations listed above, CIC Industrial Interests Inc. and Saskatchewan Energy Holdings Ltd. are wholly-owned share capital subsidiaries of CIC whose accounts are also consolidated in these financial statements.

Throughout these financial statements the phrase, "the Corporation", is used to collectively describe the consolidated activities of the aforementioned corporations.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Inventories

Inventories for resale are generally valued at the lower of average cost and net realizable value. Other supplies inventories are valued at the lower of cost and replacement cost.

c) Investments

Short-term investments are valued at cost which approximates their quoted market value.

Long-term investments include bonds and debentures as well as shares held in private and public companies. The investments in bonds and debentures are recorded at amortized cost. The investments in shares are recorded at cost and dividends from these shares are recorded as income when receivable.

Where the Corporation has investments in shares and exercises significant influence but has less than a controlling interest, the investments are accounted for by the equity method.

Where there is evidence of a permanent decline in the value of a long-term investment, that investment is written down to net realizable value.

d) Property, plant and equipment

Property, plant and equipment are recorded at cost and include materials, services, direct labour and overhead costs which are readily identifiable with the construction activity or asset acquisition. Interest associated with major capital and development projects is capitalized during the construction period at a weighted average interest rate of long-term borrowings in the current year.

The costs of maintenance, repairs and renewals or replacements are charged to operations as incurred. The costs of replacements and improvements which extend productive life are capitalized.

When property, plant or equipment are disposed of or retired, the related costs and accumulated depreciation are eliminated from the accounts. Any resulting gains or losses are reflected in the Statement of Operations with three exceptions. Saskatchewan Power Corporation and Saskatchewan Energy Holdings Ltd. apply this general policy only to complete asset units. Saskatchewan Telecommunications includes gains or losses in accumulated depreciation.

e) Depreciation

Depreciation is recorded on machinery and equipment, buildings and improvements as well as equipment under capital leases primarily on the straight-line basis over the estimated productive life of each asset.

f) Deferred charges

Deferred charges include natural gas in storage, financing charges, and unamortized differences arising from translation of long-term debt in foreign currencies to Canadian dollars.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Natural gas in storage is stated at the lower of cost or net realizable value. Gas removed from storage is accounted for on an average cost basis.

Unamortized financing charges applicable to the issue of long-term debt are amortized on a straight-line basis over the respective term of each obligation.

g) Deferred revenue

Non-current deferred revenue includes contributions in aid of construction relating to new service connections. These contributions are amortized over the estimated service life of the related asset.

h) Revenue recognition

Revenue from utility services is recognized when the services are delivered to customers. The estimate of services rendered but not billed is included in accounts receivable.

i) Foreign exchange translation

Monetary assets and liabilities are translated at the rate of exchange in effect at the year end. Revenue and expenses are translated at rates in effect as they occur. Exchange gains and losses arising from monetary items are included in the Statement of Operations in the current year. Non-monetary items are translated at the exchange rate prevailing at the time of the transaction.

Long-term debt and related accrued interest, payable in foreign currencies, are recorded at exchange rates prevailing at the year end. Where the translation of long-term debt results in a difference from the previously recorded amount (i.e. translation gains and losses), the difference is deferred and amortized on a straight-line basis over the remaining term of the debt.

j) Leases

As lessee, where the Corporation has substantially all of the benefits and risks incident to the ownership of property, plant and equipment, the lease is classified as a capital lease. Property, plant and equipment recorded as capital leases are amortized on a basis similar to other assets in the same depreciation category. All other leases are classified as operating leases and lease payments are expensed as incurred.

As lessor, where the Corporation transfers substantially all of the benefits and risks incident to the ownership of the property, plant and equipment to the lessee, the lease is classified as a sales-type lease or direct financing lease. All other leases are classified as operating leases and lease payments are recorded as income.

2. STATUS OF CROWN INVESTMENTS CORPORATION OF SASKATCHEWAN

The Government Finance Office was established by Order-in-Council 535 dated April 2, 1947, and was continued under the provisions of **The Crown Corporations Act, 1978**, as Crown Investments Corporation of Saskatchewan. The Corporation is an agent of Her Majesty in Right of the Province of Saskatchewan and as a Provincial Crown corporation is subject to neither Federal nor Provincial income tax.

3. LONG-TERM INVESTMENTS	Voting Percentages	1991	1990
		(thousands of dollars)	
Major Investments			
Cameco Corporation (a)			
- 17,543,623 (1990 - 25,543,624) common shares	33.8%	$ 315,740	$ 601,453
- 2,666,667 (1990 - 0) common shares held in trust	5.1%	39,333	-
Potash Corporation of Saskatchewan Inc. (b)			
- 0 (1990 - 10,951,700) common shares	-	-	191,960
- 14,726,211 (1990 - 11,099,763) common shares held in trust	9.4%	265,362	199,796
Bi-Provincial Upgrader, Lloydminster, Saskatchewan (c)			
- joint venture interest	17.5%	133,616	71,223
Saskatchewan Oil and Gas Corporation (d)			
- 8,148,649 (1990 - 15,012,971) common shares	9.4%	55,884	127,166
Saskferco Products Inc. (formerly Saferco Products Inc.)			
- 38,075,976 (1990 - 7,910,000) common shares	49.0%	38,076	7,910
Meadow Lake Pulp Limited Partnership			
- partnership interest	49.0%	9,800	9,800
ISM Information Systems Management Corporation (formerly Westbridge Computer Corporation) (e)			
- 4,413,333 (1990 - 4,413,333) common shares	26.2%	8,960	20,849
NewGrade Energy Inc. (f)			
- common shares and debentures	50.0%	-	67,794
		866,771	1,297,951
Bonds and Debentures			
Weyerhaeuser Canada Ltd. (g)			
- income debenture		142,291	189,607
Meadow Lake Pulp Limited Partnership (h)			
- participating debentures		132,392	578
Other bonds and debentures		88,109	90,744
		362,792	280,929

3. LONG-TERM INVESTMENTS (continued)

Loans, Notes and Mortgages Receivable	1991	1990
	(thousands of dollars)	
Dairy Producers Co-operative Limited	$ 10,000	$ 10,000
Cadillac Fairview Corporation Limited	40,963	41,354
Other loans and notes receivable	192,739	239,545
	243,702	290,899
Property Holdings	85,352	82,496
Other Share Investments - Cost Basis	58,808	42,722
Leases Receivable	21,384	26,375
Other Share Investments - Equity Basis	8,487	2,242
	$ 1,647,296	$ 2,023,614

a) The Corporation owned 6,385,906 voting common shares of Cameco Corporation (Cameco) at December 31, 1990 representing a 61.5 per cent interest. In May, 1991, Cameco's voting common shares were split on a 4 for 1 basis resulting in the Corporation owning 25,543,624 shares. There was no change in the Corporation's ownership interest. Subsequently, Cameco issued 10,400,000 voting common shares from treasury pursuant to an initial public offering, reducing the Corporation's ownership interest to 49.2 per cent.

On September 30, 1991, the Corporation sold 5,333,334 Special Warrants by way of a private placement by secondary offering. Each Special Warrant consisted of one Cameco voting common share and one-half of a Common Share Purchase Warrant (Purchase Warrant). Each full Purchase Warrant entitles the holder to purchase from the Corporation one Cameco voting common share for $14.75 on or before October 1, 1994. Immediately upon closing, the Special Warrants were exercised resulting in the disposition of 5,333,334 Cameco voting common shares. This reduced the Corporation's ownership interest in Cameco to 20,210,290 voting common shares. The Corporation placed 2,666,667 of these shares in trust under terms of a Custodian Agreement to satisfy the possible exercise of the Purchase Warrants. The Corporation uses the equity method to account for the 17,543,623 unencumbered voting common shares representing a 33.8 per cent ownership interest in Cameco.

3. LONG-TERM INVESTMENTS (continued)

The Corporation's control over the shares held in trust can be terminated at any time by holders of the Purchase Warrants although the Corporation maintains beneficial ownership of these shares. Any shares remaining in trust after the close of business on October 1, 1994 will be transferred by the trustee to the Corporation. The Corporation accounts for these shares using the cost method.

Included in the investment in Cameco is one Class B share which provides the Corporation with the ability to exercise special voting rights with respect to the location of Cameco's head office.

b) The Corporation owned 10,951,700 voting common shares of Potash Corporation of Saskatchewan Inc. (PCS Inc.) at December 31, 1990. On September 9, 1991, the Corporation sold 7,301,133 Special Warrants by way of a private placement by secondary offering. Each Special Warrant consisted of one PCS Inc. common share and one-half of a Common Share Purchase Warrant (Purchase Warrant). Each full Purchase Warrant entitles the holder to purchase one PCS Inc. common share from the Corporation for $18.75 on or before September 30, 1994. Immediately upon closing, the Special Warrants were exercised resulting in the disposition of 7,301,133 PCS Inc. common shares. This reduced the Corporation's ownership interest in PCS Inc. to 3,650,567 common shares. The Corporation placed 3,650,566 of these shares in trust under terms of a Custodian Agreement to satisfy the possible exercise of the Purchase Warrants. The Corporation maintains beneficial ownership of these shares. Any shares remaining in trust after the close of business on September 30, 1994 will be transferred by the trustee to the Corporation. During December 1991, Purchase Warrants for 20,000 shares were exercised. The remaining 3,630,567 common shares, representing a 9.4 per cent ownership interest, are accounted for by the cost method.

The Corporation also holds 11,095,644 (1990 - 11,099,763) voting common shares of PCS Inc. in trust to fulfill the exchangeability feature of the Potash Ownership Bonds issued by the Province of Saskatchewan in 1989. These shares are accounted for by the cost method. Any time after December 1, 1990, and prior to the bond's maturity on December 1, 1992, the holder of each ownership bond may exchange the bond for a certain number of PCS Inc. shares. The holder of the ownership bonds has the right, subject to certain restrictions, to direct the voting of the PCS Inc. common shares for which the ownership bonds are exchangeable. Any shares remaining in trust on December 1, 1992 will be transferred by the trustee to the Corporation. Upon exchange of the bonds for shares the Corporation reduces its corresponding debt owing to the Province of Saskatchewan.

c) The Corporation owns a 17.5 per cent equity interest in the Bi-Provincial Upgrader Joint Venture, (the Joint Venture), established to construct and operate a heavy oil upgrader located near Lloydminster, Saskatchewan. To December 31, 1991, the Corporation had invested $197.5 million in the Joint Venture. To date, construction cost overruns of approximately $365 million have been identified by the Joint Venture. The Corporation's share of these overruns is expected to be $63.9 million. The Corporation has agreed to fund $30.6 million of this amount while the funding for the remaining $33.3 million has not been finalized. The Corporation has recorded a provision for loss of $63.9 million as further described in Note 13.

3. LONG-TERM INVESTMENTS (continued)

d) The Corporation owns 8,148,649 (1990 - 15,012,971) common shares of Saskatchewan Oil and Gas Corporation (Saskoil) representing 12 per cent (1990 - 22 per cent) of Saskoil's participating shares outstanding at December 31, 1991. However, 2,305,739 of these common shares are held by a trustee. Pursuant to an agreement, these shares are to be sold by the trustee to corporations or individuals not related to the Corporation. The Corporation does not have the right to direct the trustee to vote these Saskoil shares. As a result, the voting percentage of Saskoil held by the Corporation at December 31, 1991 is 9.4 per cent (1990 - 9.5 per cent). The Saskoil shares are accounted for by the cost method.

e) During 1991, ISM Information Systems Management Corporation (ISM) issued additional common shares to IBM Canada Limited and International Semi-Tech Microelectronics Inc., reducing the Corporation's ownership interest to 26.2 per cent as at December 31, 1991 (1990 - 58.9 per cent). The Corporation also owns one special share of ISM that enables it to determine the location of ISM's head office and principal place of business. Pursuant to an option clause in an ISM shareholders' agreement, the Corporation sold 3,522,127 ISM shares to IBM Canada Limited effective April 30, 1992 for gross proceeds of $36.3 million resulting in a gain on sale of approximately $28 million. This share sale reduces the Corporation's ownership in ISM to approximately 5 per cent.

f) The Corporation owns 50 per cent of the outstanding voting non-participating shares, 100 per cent of the non-voting participating shares and 100 per cent of the outstanding subordinated debentures of NewGrade Energy Inc. (NewGrade). The Corporation also holds certain promissory notes from NewGrade.

The Corporation had initially agreed to provide funding to NewGrade, to a maximum of $158.8 million for the purpose of assisting NewGrade in the construction and start-up of a heavy oil upgrader located in Regina, Saskatchewan. The Corporation has further agreed to provide additional amounts to NewGrade to fund cash deficiencies experienced as a result of start-up difficulties. The Corporation had made total investments in NewGrade of $232 million to December 31, 1991 (1990 - $229.7 million).

NewGrade had recorded accumulated losses of $231.3 million to October 31, 1991. Accordingly, the Corporation has reduced the carrying value of its investment to nil to reflect the decline in value of this investment. In future, any additional funding provided to NewGrade by the Corporation will be written off as the funding is provided.

The subordinated debentures bear interest at Royal Bank prime plus two per cent. However, due to the uncertainty of receipt of these amounts, no interest income has been accrued in these financial statements. The total interest owing to the Corporation at December 31, 1991 was $60.3 million (1990 - $38.6 million).

The Corporation has pledged all of the shares and debentures purchased from NewGrade as collateral security for NewGrade's loans. In addition, the Province of Saskatchewan has guaranteed indebtedness of NewGrade to a maximum of $360 million.

3. LONG-TERM INVESTMENTS (continued)

g) Interest from the Weyerhaeuser Canada Ltd. income debenture is earned and principal collected according to cash flow formulas. Interest is recognized in income as it becomes currently receivable in accordance with the cash flow formulas. No interest income has been recorded during the current year. The Corporation has recorded a provision of $47.3 million against the debenture as further described in Note 13.

h) The Corporation has entered into various agreements with Millar Western Pulp (Meadow Lake) Ltd. (MWP), acting as agent for Meadow Lake Pulp Limited Partnership (MLPLP), to provide loans to MWP up to a maximum of $191.5 million. The Corporation had advanced $132.4 million to December 31, 1991 (1990 - $.6 million) under these agreements in the form of a Participating Debenture. Payments under the Participating Debenture are subject to cash flow formulas. Interest, calculated at 11.15 per cent is recognized in income as it becomes currently receivable in accordance with the cash flow formulas. No interest income has been recorded during the current year.

i) The market values of the Corporation's publicly traded investments in securities not held in trust at December 31, 1991 were as follows (millions of dollars):

Cameco	$ 236.8
ISM	$ 31.4
Saskoil	$ 38.7

j) Other loans and notes receivable include amounts due from Cameco of $38 million (1990 - $41.3 million) and from ISM of $1.8 million (1990 - $1.8 million).

k) In 1991, net losses from equity investments were as follows:

	1991	1990
	(thousands of dollars)	
PCS Inc.	$ 10,039	$ 7,664
Cameco	22,136	56,347
ISM	(11,889)	(9,669)
Saskoil	-	10,396
NewGrade	(70,099)	(102,283)
Other	(676)	(166)
	$ (50,489)	$ (37,711)

l) Included in other loans and notes receivable are non-performing loans in the amount of $26.8 million (1990 - $34.1 million). Included in property holdings are non-performing assets in the amount of $22.8 million (1990 - $25.1 million). The amounts of non-performing assets are net of loss provisions.

4. PROPERTY, PLANT AND EQUIPMENT

	1991	1990
	(thousands of dollars)	
Machinery and equipment	$ 5,084,784	$ 4,760,501
Buildings and improvements	537,460	553,455
Plant under construction	575,752	501,016
Deferred development costs	1,156	790
Equipment under capital leases	31,125	27,586
Land	99,033	93,424
	6,329,310	5,936,772
Accumulated depreciation	(1,897,336)	(1,735,624)
	$ 4,431,974	$ 4,201,148

5. OTHER ASSETS

	1991	1990
	(thousands of dollars)	
Natural gas in storage	$ 73,369	$ 64,492
Deferred financing charges, net of amortization	61,068	32,225
Deferred foreign exchange translation losses, net of amortization	2,546	2,779
Other deferred charges	2,496	2,433
	$ 139,479	$ 101,929

6. NOTES PAYABLE

Notes payable include $349 million (1990 - $349 million) due to the Province of Saskatchewan's Consolidated Fund. These notes are primarily interest-bearing having an average annual interest rate of 7.34 per cent (1990 - 11.67 per cent).

7. LONG-TERM DEBT

	1991			1990	
	(thousands of dollars)				
	Principal Outstanding		Average Interest Rate	Principal Outstanding	Average Interest Rate
Years to Maturity	U.S. Dollars	Canadian Dollars			
A. Province of Saskatchewan					
Canadian Dollar Issues					
1 - 5 years		$ 1,191,255	8.55	$ 989,786	7.89
6 - 10 years		1,612,654	9.87	505,991	9.94
11 - 15 years		1,080,010	11.26	1,108,499	11.62
16 - 20 years		278,732	9.63	445,243	9.73
		4,162,651		3,049,519	
United States Dollar Issues					
1 - 5 years	$ 196,452	236,997	14.75	843,799	9.98
11 - 15 years	124,275	143,600	8.70	-	
16 - 20 years	330,318	381,683	9.03	411,349	8.86
26 - 30 years	100,000	115,550	9.38	-	
	$ 751,045	877,830		1,255,148	
		5,040,481		4,304,667	
Less sinking fund balance		(415,807)		(393,276)	
TOTAL DUE TO PROVINCE OF SASKATCHEWAN		4,624,674		3,911,391	
B. Other long-term debt					
Saskatchewan Power Corporation Savings Bonds (due 1992 to 1994)		285,975	9.125-12.75	241,596	10.50-12.75
Saskatchewan Telecommunications TeleBonds due March 1, 1994		95,615	11 & 14	98,641	11 & 14
Capital lease obligations (Note 15)		18,003	Various	21,430	Various
Other (due 1992 to 2013)		12,814	Various	15,029	Various
TOTAL OTHER LONG-TERM DEBT		412,407		376,696	
		5,037,081		4,288,087	
Less due within one year		(486,866)		(1,071,285)	
TOTAL LONG-TERM DEBT		$ 4,550,215		$ 3,216,802	

7. LONG-TERM DEBT (continued)

There is a requirement, attached to certain interest-bearing issues from the Province of Saskatchewan, to make annual payments to the Province in amounts representing one per cent to three per cent of the original issue. These annual payments are invested by the Province with the cumulative aggregate being available for the retirement of the issues on their maturity dates and are noted above as sinking fund balance.

Certain issues received from the Province of Saskatchewan totalling $827 million (1990 - $891 million) require that the issues be subject to redemption on six months notice.

The interest rate on the Saskatchewan Power Corporation Savings Bonds can be increased at the discretion of the Minister of Finance of the Province. The bonds are subject to redemption semi-annually until maturity at the option of the bondholder.

Saskatchewan Telecommunications issued its initial offering of TeleBonds in 1989. Interest TeleBonds pay interest annually while Credit TeleBonds pay interest monthly by way of credit to the designated customer's telephone account. At December 31, 1991, there were $62.6 million of Interest TeleBonds (interest at 11 per cent) outstanding and $33 million of Credit TeleBonds (interest at 14 per cent). TeleBonds are redeemable in whole or in part at the discretion of the bondholder on March 1 each year prior to maturity.

Sinking fund and debt retirement requirements for the next five years are as follows (thousands of dollars):

1992 -	$ 489,256
1993 -	$ 535,719
1994 -	$ 653,737
1995 -	$ 29,122
1996 -	$ 185,518

Long-term debt payable in United States dollars (excluding debt subject to cross currency swaps and hedging agreements) has been translated into Canadian dollars at a year-end exchange rate of 1.155 (1990 - 1.160).

8. DEFERRED REVENUE AND OTHER LIABILITIES

	1991	1990
	(thousands of dollars)	
Contributions in aid of construction	$ 173,361	$ 169,437
Other liabilities	59,747	58,288
Deferred income	38,197	32,723
Unamortized foreign exchange gains	2,411	9,214
	$ 273,716	$ 269,662

Other liabilities include an amount due to Cameco of $39 million (1990 - $40 million).

9. EQUITY ADVANCES

CIC does not have share capital. However, CIC has received advances from the Saskatchewan Heritage Fund. The advances are non-interest bearing and are repayable at the discretion of the Saskatchewan Heritage Fund. The advances are considered to be an equity investment in CIC by the Province of Saskatchewan and are referred to as equity advances.

10. COMMITMENTS AND CONTINGENCIES

The following significant commitments and contingencies existed at December 31, 1991:

a) The Corporation had forward purchase commitments of $1,866 million for coal and $1,292 million for natural gas contracted for future minimum deliveries valued at current prices.

b) The Corporation had capital expenditure commitments amounting to $851 million.

c) The Corporation has entered into an agreement whereby it has guaranteed the lease payments on certain equipment leased by PCS Inc. The present value of capital lease payments is $83 million. However, pursuant to the agreement, PCS Inc. has assumed the lease obligations and indemnified the Corporation from further liability.

d) The Corporation had a contingent liability as endorser of certain promissory notes due in 2003, arising from the sale of a dragline. In addition, there is a contingent liability for lease payments on certain leased mining equipment. The lease expires in 2005. The total amount of these contingencies is $73 million.

e) The Corporation has unconditionally guaranteed payment of indebtedness incurred by IPSCO Inc. under the terms of an operating lease which expires in 2007. The liability of the Corporation under the guarantee is limited to $65 million.

f) The Corporation has guaranteed Saskferco Products Inc.'s (Saskferco) line of credit with a chartered bank to a maximum of $38.2 million. Saskferco, however, had not yet drawn on this line of credit at December 31, 1991 and therefore no amounts were outstanding.

g) The Corporation is contingently liable for loan guarantees totalling $10.5 million.

h) The Corporation has guaranteed the indebtedness of ISM to a chartered bank to a maximum of $5 million.

i) The Corporation is the defendant to several unresolved statements of claim, and has provided for these claims in its accounts in accordance with the advice received from legal counsel. The Corporation intends to account for any differences which may arise, between amounts provided and amounts expended, in the period in which the claims are resolved.

11. INTEREST EXPENSE

	1991	1990
	(thousands of dollars)	
Interest on long-term debt	$ 587,853	$ 502,754
Amortization of foreign exchange gains and losses	(6,894)	(12,764)
Amortization of deferred financing costs	10,462	9,383
	591,421	499,373
Less		
Sinking fund earnings	(52,422)	(42,002)
Interest capitalized	(44,514)	(23,046)
	(96,936)	(65,048)
Long-term debt interest expense	494,485	434,325
Short-term debt interest expense	30,598	38,151
	$ 525,083	$ 472,476

12. SASKATCHEWAN TAXES AND RESOURCE PAYMENTS

	1991	1990
	(thousands of dollars)	
Resource royalties and payments		
Oil, gas and coal royalties	$ 23,283	$ 22,030
Timber dues	1,337	1,153
	24,620	23,183
Grants in lieu of taxes to municipalities	25,187	25,105
Capital tax	16,777	16,473
Insurance premium tax	4,856	4,774
Other	256	245
Total paid or payable	71,696	69,780
Less amounts inventoried	(175)	(328)
	$ 71,521	$ 69,452

Saskatchewan taxes and resource payments as stated above do not include Saskatchewan Education and Health Tax payments.

13. NON-RECURRING ITEMS

Non-recurring items include the following:	1991	1990
	(thousands of dollars)	
Loss on sales of investment in Cameco	$ (189,210)	$ -
Write down of investment in Bi-Provincial Upgrader Joint Venture	(63,875)	-
Grant to MLPLP	(50,000)	-
Write down of debenture from Weyerhaeuser Canada Ltd.	(47,316)	-
Loss on investment in PCS Inc.	(1,173)	-
Loss on investments made by Saskatchewan Diversification Corporation	(1,095)	-
Gain on sale of assets to Saskoil	-	36,509
Gain on sale of Saskoil shares	-	32,111
Gain on sale of IPSCO Inc. common shares	-	10,072
Write down of carrying value of investment in ISM	-	(1,485)
	$ (352,669)	$ 77,207

a) On July 11, 1991, Cameco issued 10,400,000 voting common shares from treasury pursuant to an initial public offering. The dilution of the Corporation's investment in Cameco from 61.5 per cent to 49.2 per cent resulted in a loss of $62.3 million. The Corporation sold 5,333,334 Special Warrants on September 30, 1991 by way of a private placement by secondary offering as more fully described in Note 3(a). The net proceeds of $74.9 million from the sale were less than the book value of the shares sold, resulting in a loss of $41.1 million. In addition, the Corporation placed 2,666,667 voting common shares of Cameco in trust to satisfy the possible exercise of the Purchase Warrants. As a result of the exercise feature, during the next three years any appreciation in the value of the 2,666,667 shares held in trust will not accrue to the Corporation. Therefore, the carrying value of these shares has been reduced to the exercise price of $14.75 per share, resulting in a loss of $18.6 million. The Corporation reviewed the status of its remaining investment in Cameco with respect to the appropriateness of the carrying value. As a result of this review, the book value of the remaining 17,543,623 Cameco shares held as an investment has been reduced to $18.00 per share to reflect management's current estimate of the loss that is other than a temporary decline. This adjustment resulted in a loss of $67.2 million.

b) The Bi-Provincial Upgrader Joint Venture will incur cost overruns of approximately $365 million. Financial projections indicate, at best, a nominal return on the Corporation's investment in the project 20 to 25 years into the future after capital costs are recovered. As a result, the Corporation recorded a write down for its proportionate share of the overruns of $63.9 million.

c) The Corporation provided $50 million to MLPLP to pay for capital costs of the infrastructure primarily relating to environmental protection. MLPLP has no obligation to repay the amount and therefore the Corporation recorded the entire amount as a non-recurring expense.

d) Due to uncertainties in the pulp and paper industry, the Corporation recorded a write down of $47.3 million on the carrying value of its Weyerhaeuser Canada Ltd. income debenture at December 31, 1991.

13. NON-RECURRING ITEMS (continued)

e) The Corporation sold 7,321,133 common shares of PCS Inc. during the year as further described in Note 3(b) for net proceeds of $131.2 million. The book value of these shares exceeded the net proceeds resulting in a loss of $1.2 million.

f) The Corporation has made equity investments through the Saskatchewan Diversification Corporation in certain private corporations. The investments in the following corporations have been determined as unrecoverable (thousands of dollars):

Trinitel International Corporation	$ 450
Contact Technologies Incorporated	250
Redvers Agriboard Industries Ltd.	150
Canora Heavy Industries	100
Prairie Aerospace Ltd.	95
The Shani Clothing Company Ltd.	50
	$ 1,095

14. PUBLIC POLICY EXPENDITURES ADJUSTMENT

a) Souris Basin Development Authority

The Corporation entered into an agency agreement in 1985 with the Souris Basin Development Authority, a Provincial Crown corporation, whereby the Souris Basin Development Authority would plan, organize, design and construct the Rafferty and Alameda dams on behalf of the Corporation. The dams were to be funded by contributions from the U.S. Government and by a funding arrangement whereby operating agreements with various users would be entered into to generate sufficient cash flows to justify the capitalization of the dams. During 1991, it became apparent that the funding arrangements contemplated with the various users would not be consummated.

Construction costs capitalized to December 31, 1991 totalled $141.4 million. The funding for construction of the dams, other than the U.S. Government funding, was in the form of notes payable to the Province of Saskatchewan's Consolidated Fund (the Province). These notes totalled $141.2 million at December 31, 1991. It has been determined that, because the contemplated funding arrangements will not occur, the construction costs represent a public policy expenditure. As a result, the Corporation has received notice of intention from the Province to forgive the notes payable received to fund the dams, subject to legislative amendment to **The Financial Administration Act**. The result of the forgiveness of the notes payable has been reflected in these financial statements by a reduction of notes payable to the Province of $141.2 million, a decrease in deferred revenue of $0.2 million and a decrease in property, plant and equipment of $141.4 million.

14. PUBLIC POLICY EXPENDITURES ADJUSTMENT (continued)

b) Irrigation Projects

The Corporation has also incurred construction costs of $55.6 million relating to major irrigation projects. These projects were funded by a combination of notes payable and long-term debt to the Province. It has been determined that these costs also represent a public policy expenditure. As a result, the Corporation has received notice of intention from the Province to forgive the notes payable and the long-term debt pertaining to those projects, subject to legislative amendment. The result of the forgiveness of these notes payable and long-term debt has also been reflected in these financial statements by a reduction of notes and loans payable to the Province of $38.2 million, a decrease in deferred revenue of $17.4 million and a decrease in property, plant and equipment of $55.6 million.

c) Summary of transactions

The net income and cash flow impact to the Corporation as a result of these transactions is summarized in the following table (thousands of dollars):

	Rafferty Alameda Dams	Irrigation Projects	Total
Construction costs capitalized to December 31, 1991	$ 141,449	$ 55,600	$ 197,049
Funded by:			
Forgiveness of Province of Saskatchewan notes and loans (net of sinking fund)	141,266	38,191	179,457
Deferred accounts adjustment	183	17,409	17,592
	141,449	55,600	197,049
Net income and cash flow impact to the Corporation	$ -	$ -	$ -

15. LEASES

a) The Corporation, as lessee, has entered into capital leases whereby substantially all of the benefits and risks of ownership have been transferred to the Corporation from the lessor. Commitment information related to these leases is as follows:

	1991	1990
	(thousands of dollars)	
Future minimum lease payments		
1991	$ -	$ 9,742
1992	7,691	7,577
1993	8,708	6,013
1994	4,633	2,193
1995	270	-
1996	74	186
Total minimum lease payments	21,376	25,711
Less amount representing interest and executory costs	(3,373)	(4,281)
Balance of obligation	18,003	21,430
Less current portion	(5,823)	(7,559)
	$ 12,180	$ 13,871

b) All other leases entered into by the Corporation, as lessee, were operating leases with future minimum lease payments as follows (thousands of dollars):

1992	$ 29,413
1993	27,135
1994	26,620
1995	16,780
1996	6,993
Thereafter	2,823
	$ 109,764

16. RELATED PARTY TRANSACTIONS

Included in these consolidated financial statements are income and expense amounts resulting from routine operating transactions conducted at prevailing market prices with various Saskatchewan Crown controlled departments, agencies and non-Part II Crown corporations to which the Corporation is related. Account balances resulting from these transactions are included in the consolidated statement of financial position and are settled on normal trade terms.

Other amounts due to and from related parties and the terms of settlement are described separately in the consolidated financial statements and the notes thereto.

16. RELATED PARTY TRANSACTIONS (continued)

During 1991 Saskatchewan Water Corporation received $14 million (1990 - $17 million) in grants from the Consolidated Fund.

As at December 31, 1991, $354 million (1990 - $35 million) was invested at interest with the Consolidated Fund of the Province of Saskatchewan and is included in short-term investments.

17. PENSIONS

Substantially all employees of the Corporations included in these financial statements are participants in either defined contribution or defined benefit pension plans.

Based on the latest actuarial valuations, the present value of the accrued pension benefits of the defined benefit pension plans is $827 million which approximates the estimated market value of the pension funds' assets.

18. SUBSEQUENT EVENT

The financial status of Crown Investments Corporation of Saskatchewan (CIC), the legal entity, has deteriorated significantly in the last several years due to a rising debt load compounded by significant investment losses. Subsequent to December 31, 1991, a financial plan was developed whereby the Province would cancel $583.9 million of equity advances to CIC, convert $875 million of CIC's debt to equity advances and transfer the debt back to the Province and provide an annual budgetary expenditure to CIC to offset a portion of CIC's interest costs and investment losses. Implementation of the financial plan is contingent upon appropriate approvals as well as the passage of legislation.

CROWN INVESTMENTS CORPORATION OF SASKATCHEWAN

NON-CONSOLIDATED FINANCIAL STATEMENTS OVERVIEW

CIC, as a legal entity, makes investments, borrows money, receives dividends and interest income and pays interest and other expenses. The results of these transactions are reflected in the following Non-Consolidated Financial Statements. These financial statements have never before been released to the public for reasons discussed below.

CIC is the successor to The Government Finance Office which was established by Order-in-Council #535 dated April 2, 1947 and was continued under the provisions of **The Crown Corporations Act, 1978** (the Act). The Act assigns specific financial and other responsibilities to CIC regarding the corporations subject to Part II of the Act. These corporations are listed in Note 2 to the Non-Consolidated Financial Statements.

CIC has made investments in these Crown corporations in the form of non-interest bearing advances. These advances are considered to be long-term equity investments by CIC and are therefore referred to as equity advances. Although the equity advances do not represent legal share capital, the relationship between CIC and the Crown corporations is identical to what it would be if CIC owned shares. Therefore, it is considered appropriate to prepare and publish Consolidated Financial Statements which include the accounts of the designated Crown corporations in addition to CIC's other share investments. Consolidated Financial Statements have been prepared since CIC's inception in 1978 and continue to be prepared and form a significant part of this Annual Report.

However, CIC also prepared non-consolidated "legal entity" financial statements which were used for CIC's internal use. In the past it was considered appropriate and adequate to release only the Consolidated Financial Statements. Therefore, the Non-Consolidated Financial Statements were never made public. However, over the last several years, the involvement of CIC in privatization and in economic diversification initiatives has significantly increased both the assets and the debts of CIC. This has resulted in CIC acquiring significant amounts of financial exposure without properly disclosing to the public the nature and extent of this exposure. Significant losses and high interest costs have been incorporated in CIC's Consolidated Financial Statements where they are difficult to assess because CIC's financial position was combined with the other Crown corporations.

The Financial Management Review Commission recognized the value of consolidated financial statements but also recommended that the financial statements of each subsidiary making up these consolidated results be provided to the Legislature. Consequently, 1991 marks the first year that CIC's non-consolidated "legal entity" financial statements have been publicly released.

Readers of the Non-Consolidated Financial Statements are warned that the Non-Consolidated Financial Statements have not been prepared for general purposes and should be interpreted in the context of the accounting principles used in their preparation (see Note 1 to the Non-Consolidated Financial Statements for a description of these principles).

1991 Financial Results

CIC's financial health as a separate legal entity has deteriorated in recent years due to a significant growth in its debt and continued losses from certain investments. CIC has reported a non-consolidated loss for 1991 of $615.1 million compared to net income in 1990 of $441.7 million. The 1991 loss is primarily due to write downs totalling $449.6 million on a number of CIC's investments. These write downs are detailed in Note 12 to the Non-Consolidated Financial Statements. Net interest expense of $160.6 million also contributed significantly to the loss. In addition, there were no dividends declared to CIC during 1991 from the Crown corporations under its purview.

Subsequent Events

Subsequent to CIC's year end, a financial restructuring plan was developed which will significantly affect CIC's financial status. This financial restructuring plan includes the cancellation of $583.9 million of equity advances from the Province to eliminate CIC's accumulated deficit at December 31, 1991; the conversion of $875 million of CIC debt owing to the Province to non-interest bearing equity advances; and the provision of an annual budgetary expenditure from the Province to offset a portion of CIC's interest costs and investment losses commencing in 1992. The debt conversion is expected to reduce CIC's annual interest costs by approximately $90 million. The implementation of the financial restructuring plan is contingent upon the passage of appropriate legislation.

In addition, CIC's corporate mission statement vis-a-vis the Crown corporations and the Province's investments in other entities such as PCS Inc., Cameco Corporation, Saskferco, etc. will be revised and expanded. CIC's mandate will be to ensure that a strategic management plan is developed and implemented to reinstate CIC's role as a holding corporation for the Province's investments in Crown corporations and other investments under CIC's jurisdiction with specific responsibilities to:

- reaffirm CIC's commercial mandate;
- be accountable to the Legislature for assets under CIC's purview;
- provide a high level of public accountability;
- design/implement long-term strategic and capital plans for the Crown sector; and
- review CIC's investment portfolio and develop a long-term plan to manage these assets with a view to increasing investment returns and/or reducing required subsidies and retire the debt associated with these investments.

CROWN INVESTMENTS CORPORATION OF SASKATCHEWAN

NON-CONSOLIDATED FINANCIAL STATEMENTS 1991

Responsibility for Financial Statements

The management of Crown Investments Corporation of Saskatchewan is responsible for the integrity of the accompanying non-consolidated financial statements. It is the responsibility of management to prepare financial statements in accordance with generally accepted accounting principles in Canada.

The integrity of the financial records from which these financial statements are prepared is largely dependent on the systems of internal accounting controls. The purpose of such systems is to provide reasonable assurance that transactions are executed in accordance with proper authorization, transactions are appropriately recorded in order to permit preparation of financial statements and assets are properly accounted for and safeguarded against loss from unauthorized use. Underlying this concept of reasonable assurance is the fact that limitations exist in any system of internal accounting controls based on the premise that the cost of such controls should not exceed the benefits derived therefrom.

The non-consolidated financial statements have been audited by the independent firm of Ernst & Young, Chartered Accountants. Their report to the Members of the Legislative Assembly, stating the scope of their examination and opinion on the non-consolidated financial statements, appears on the next page.

The Board of Directors has reviewed and approved these non-consolidated financial statements. To assist the Board in meeting its responsibility, it has appointed an Audit Committee which meets periodically with management and with the independent auditors to review internal accounting controls, audit results and accounting principles and practices.

Donald R. Ching
Acting President

J. Leslie Wright
Director, Accounting Services

CROWN INVESTMENTS CORPORATION OF SASKATCHEWAN

NON-CONSOLIDATED FINANCIAL STATEMENTS 1991

Auditors' Report

To the Members of the Legislative Assembly
Province of Saskatchewan

We have audited the non-consolidated statements of financial position of **Crown Investments Corporation of Saskatchewan** as at December 31, 1991 and 1990 and the non-consolidated statements of operations and reinvested earnings (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these non-consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 1991 and 1990 and the results of its operations and the changes in its financial position for the years then ended in accordance with generally accepted accounting principles except that they are prepared on a non-consolidated basis as explained in Note 1 a) to the financial statements.

On April 30, 1992 we reported without reservation to the Members of the Legislative Assembly on the Corporation's consolidated financial statements.

Ernst + Young

Regina, Canada
April 30, 1992, except for
Note 15 b) which is as of
May 14, 1992

Chartered Accountants

CROWN INVESTMENTS CORPORATION OF SASKATCHEWAN

NON-CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at December 31

	1991	1990
	(thousands of dollars)	
ASSETS		
Cash and short-term investments	$ 313,729	$ 34,048
Interest and accounts receivable	34,498	35,509
Dividends receivable	60,000	168,268
Loans and notes receivable (Note 3)	1,136,061	705,422
Equity advances to Crown corporations (Note 4)	1,755,862	2,147,488
Investments in share capital corporations (Note 5)	285,663	514,074
Other assets (Note 6)	33,102	5,688
	$ 3,618,915	$ 3,610,497
LIABILITIES AND PROVINCE'S EQUITY		
Liabilities:		
Interest and accounts payable	$ 99,394	$ 64,036
Dividend payable	-	299,500
Notes payable to Consolidated Fund	28,925	52,949
Deferred revenue (Note 7)	3,683	484
Long-term debt (Note 8)	2,927,989	2,137,495
	3,059,991	2,554,464
Province of Saskatchewan's Equity:		
Equity advances (Note 9)	1,142,871	1,024,881
Reinvested earnings (deficit)	(583,947)	31,152
	558,924	1,056,033
	$ 3,618,915	$ 3,610,497

Contingencies (Note 10)

(See accompanying notes)

On behalf of the Board: Ned Shillington Director Ed Tchorzewski Director

CROWN INVESTMENTS CORPORATION OF SASKATCHEWAN

NON-CONSOLIDATED STATEMENTS OF OPERATIONS AND REINVESTED EARNINGS (DEFICIT)

For the Year Ended December 31

	1991	1990
	(thousands of dollars)	
INCOME		
Dividends (Note 11)	$ -	$ 706,167
Interest	121,268	95,610
Other	311	559
	121,579	802,336
EXPENSES		
Interest - long-term debt	278,635	215,420
Interest - short-term debt	3,206	10,683
General, administrative and other	5,194	5,495
Depreciation	28	120
	287,063	231,718
Income (loss) before the following	(165,484)	570,618
Provision for decline in value of investments (Note 12)	(449,615)	(128,966)
NET INCOME (LOSS)	(615,099)	441,652
REINVESTED EARNINGS, BEGINNING OF YEAR	31,152	74,500
DIVIDENDS TO SASKATCHEWAN HERITAGE FUND	-	(485,000)
REINVESTED EARNINGS (DEFICIT), END OF YEAR	$ (583,947)	$ 31,152

(See accompanying notes)

CROWN INVESTMENTS CORPORATION OF SASKATCHEWAN

NON-CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Year Ended December 31

	1991	1990
	(thousands of dollars)	
OPERATING ACTIVITIES		
Income (loss) before provision for decline in value of investments	$ (165,484)	$ 570,618
Add non-cash item		
Amortization and depreciation	5,339	3,636
	(160,145)	574,254
Net change in non-cash working capital balances related to operations	144,637	(193,495)
Cash provided by (used in) operating activities	(15,508)	380,759
INVESTING ACTIVITIES		
Advances (to) from CIC Industrial Interests Inc.	(314,243)	7,576
(Increase) decrease in notes receivable	15,124	(76)
Loans to Crown corporations	(230,000)	-
Loan repayments received	47,074	48,920
Equity advances to Crown corporations	(6,000)	(198,492)
Equity advance repayments by Crown corporations	217,187	226,411
Purchase of investments	(2,305)	(53,857)
Capital expenditures	(12)	(118)
Increase in deferred revenue	3,199	484
Cash provided by (used in) investing activities	(269,976)	30,848
FINANCING ACTIVITIES		
Increase in deferred charges	(32,741)	(169)
Dividends paid to Saskatchewan Heritage Fund	(299,500)	(185,500)
Decrease in notes payable	(24,024)	(71,531)
Long-term debt proceeds	1,455,000	847
Long-term debt repayments	(651,560)	(285,932)
Equity advances from Saskatchewan Heritage Fund	117,990	84,024
Cash provided by (used in) financing activities	565,165	(458,261)
NET INCREASE (DECREASE) IN CASH DURING YEAR	279,681	(46,654)
CASH POSITION, BEGINNING OF YEAR	34,048	80,702
CASH POSITION, END OF YEAR	$ 313,729	$ 34,048

Cash position consists of cash and short-term investments.

(See accompanying notes)

CROWN INVESTMENTS CORPORATION OF SASKATCHEWAN

NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS

December 31, 1991

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with generally accepted accounting principles except as noted in a) below.

a) Basis of presentation

The financial statements have been prepared on a non-consolidated basis to illustrate the financial position and results of operations of the corporate entity only. These non-consolidated financial statements have not been prepared for general purposes. Therefore, some users may require further information. Consolidated financial statements are prepared and presented to the Members of the Saskatchewan Legislature. The consolidated financial statements include the accounts of Crown Investments Corporation of Saskatchewan (CIC), the Crown corporations listed in Note 2, and two wholly-owned subsidiaries, CIC Industrial Interests Inc. and Saskatchewan Energy Holdings Ltd.

The balance sheet has been presented in an unclassified format because many of CIC's financial assets and liabilities have no repayment terms and cannot readily be categorized as current or long-term.

b) Short-term investments

Short-term investments are carried at cost which approximates their market value.

c) Equity advances to Crown corporations

Crown corporations do not have share capital. However, ten Crown corporations have received non-interest bearing advances from CIC. These advances are considered to be long-term equity investments by CIC and are therefore referred to as equity advances. The equity advances are initially recorded at cost, but are written down to their estimated realizable value where there is evidence of a permanent decline in value below cost. Dividends from these corporations are recognized as income when receivable.

d) Investments in shares

Investments in shares of corporations are accounted for on the cost method regardless of whether significant influence exists or there is a parent-subsidiary relationship. The investments in shares are written down to their estimated realizable value where there is evidence of a permanent decline in value below cost. Dividends from these share investments are recognized as income when receivable.

e) Notes, loans and debentures receivable

Notes, loans and debentures receivable are initially recorded at cost, but are written down to their estimated realizable value where there is evidence of a permanent decline in value below cost.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Fixed assets

Fixed assets are recorded at cost. When fixed assets are disposed of or retired, the related costs and accumulated depreciation are eliminated from the accounts. Any resulting gains or losses are reflected in the statement of operations.

Equipment and furniture are depreciated over their estimated useful lives on the declining balance method at rates ranging from 12 per cent to 30 per cent.

g) Deferred charges

Issue costs and discounts incurred on the issue of long-term debt are recorded at cost less accumulated amortization. These deferred charges are amortized over the term of the related debt on a straight-line basis.

h) Deferred revenue

Issue costs and discounts charged on the issue of long-term loans to Crown corporations are recorded net of accumulated amortization. Deferred revenue is amortized over the term of the related loans receivable on a straight-line basis.

2. STATUS OF CROWN INVESTMENTS CORPORATION OF SASKATCHEWAN

The Government Finance Office was established by Order-in-Council #535 dated April 2, 1947, and was continued under the provisions of **The Crown Corporations Act, 1978** (the Act), as Crown Investments Corporation of Saskatchewan. CIC is an agent of Her Majesty in Right of the Province of Saskatchewan and as a Provincial Crown corporation is subject to neither Federal nor Provincial income tax.

The Act assigns specific financial and other responsibilities to CIC regarding corporations subject to Part II of the Act. Saskatchewan provincial Crown corporations become subject to Part II of the Act by Order-in-Council. The following corporations have been designated as subject to the Act by Order-in-Council #630/84 (amended by Order-in-Council #874/84):

CIC Mineral Interests Corporation
Saskatchewan Computer Utility Corporation
Saskatchewan Development Fund Corporation
Saskatchewan Economic Development Corporation
Saskatchewan Forest Products Corporation
Saskatchewan Government Insurance
Saskatchewan Mining Development Corporation
Saskatchewan Power Corporation
Saskatchewan Telecommunications
Saskatchewan Transportation Company
Saskatchewan Water Corporation

3. LOANS AND NOTES RECEIVABLE

	1991	1990
	(thousands of dollars)	
Saskatchewan Energy Holdings Ltd. (SEH) - short-term loans	$ 28,925	$ 52,949
Saskatchewan Energy Holdings Ltd. (SEH) - long-term loans	820,401	726,475
Less: continuity of interest adjustment	(226,393)	(226,393)
	622,933	553,031
CIC Industrial Interests Inc.	369,273	55,030
Saskatchewan Economic Development Corporation	195,000	115,000
Saskatchewan Transportation Company	18,900	10,000
Saskatchewan Water Corporation	-	1,000
	1,206,106	734,061
Less: Provision for decline in value of investments:		
Saskatchewan Economic Development Corporation	(61,907)	(25,274)
Saskatchewan Transportation Company	(1,827)	-
Less: Sinking fund liability due to SEH	(6,311)	(3,365)
	$ 1,136,061	$ 705,422

a) The long-term loans receivable from SEH arise primarily from the refinancing of SEH by CIC when it acquired the shares of SEH on December 31, 1989. CIC borrowed $774.8 million from the Consolidated Fund and loaned these funds, under the same terms and conditions, to SEH to enable it to repay Saskatchewan Power Corporation (SPC) for the debt assumed when SEH acquired SPC's natural gas operations during 1988 and 1989. This debt to SPC exceeded the book value of the assets acquired. This discrepancy gives rise to the continuity of interest adjustment noted above.

As more fully described in Note 15 b), SEH and SPC have agreed in principle to a reorganization subsequent to year end. As a result of this reorganization, the continuity of interest adjustment will be eliminated in 1992.

The continuity of interest adjustment does not affect SEH's obligation to repay the full amount of the receivable noted above. The loans mature at various dates from 1992 to 2009 with interest rates varying from 5.5 per cent to 13.5 per cent.

Certain of the SEH long-term loans carry sinking fund obligations whereby SEH must pay CIC a specified percentage of the original outstanding loan balance and CIC must invest these amounts, at interest, in a sinking fund. Upon maturity of the loans, the balance in the sinking fund will be used by SEH to repay the loan principal.

3. LOANS AND NOTES RECEIVABLE (continued)

b) Loans receivable are primarily interest-bearing at various rates and mature at various dates from 1992 to 2009. The loan receivable from CIC Industrial Interests Inc. is non-interest bearing with no set repayment terms.

c) Principal repayments and sinking fund instalments due in the next five years are as follows:

	Principal	Sinking Fund	Total
	(thousands of dollars)		
1992	$ 56,639	$ 2,390	$ 59,029
1993	$ 70,352	$ 2,295	$ 72,647
1994	$ 102,785	$ 2,229	$ 105,014
1995	$ -	$ 2,229	$ 2,229
1996	$ 65,592	$ 2,229	$ 67,821

4. EQUITY ADVANCES TO CROWN CORPORATIONS

Equity advances represent equity investments in Crown corporations and are non-interest bearing and repayable at the discretion of CIC.

	1991	1990
	(thousands of dollars)	
CIC Mineral Interests Corporation	$ 248,130	$ 386,057
Saskatchewan Power Corporation	826,393	826,393
Saskatchewan Mining Development Corporation	522,941	601,201
Saskatchewan Telecommunications	250,000	250,000
Saskatchewan Government Insurance	56,000	57,000
Saskatchewan Economic Development Corporation	56,000	50,000
Saskatchewan Forest Products Corporation	40,200	40,200
Saskatchewan Transportation Company	33,985	33,985
Saskatchewan Development Fund Corporation	1,150	1,150
Saskatchewan Water Corporation	700	700
	2,035,499	2,246,686
Less: Provision for decline in value of investments:		
Saskatchewan Mining Development Corporation	(166,300)	-
Saskatchewan Economic Development Corporation	(56,000)	(50,000)
Saskatchewan Forest Products Corporation	(23,352)	(19,840)
Saskatchewan Transportation Company	(33,985)	(29,358)
	$ 1,755,862	$ 2,147,488

5. INVESTMENTS IN SHARE CAPITAL CORPORATIONS

Investee	Description of Investment	Voting Percentage	1991	1990
			(thousands of dollars)	
CIC Industrial Interests Inc.	34,000,000 common shares	100%	$ 374,749	$ 374,749
NewGrade Energy Inc.	1 Class B voting non-participating common share	50%	1	1
	4,932 Class C non-voting participating common shares		4,932	4,932
	81,950 Class D common shares		81,950	81,950
	Subordinated debentures - C		33,577	33,577
	Subordinated debentures - D		33,577	33,577
	Subordinated debentures - E		75,675	75,675
	Promissory notes		2,305	-
			232,017	229,712
Saskatchewan Energy Holdings Ltd.	10 Class B voting shares	100%	71,531	71,531
			678,297	675,992
Less: Provision for decline in value of investments:				
CIC Industrial Interests Inc.			(160,617)	-
NewGrade Energy Inc.			(232,017)	(161,918)
			$ 285,663	$ 514,074

a) CIC owns 50 per cent of the outstanding voting non-participating shares, 100 per cent of the non-voting participating shares and 100 per cent of the outstanding subordinated debentures of NewGrade Energy Inc. (NewGrade). CIC also holds certain promissory notes due from NewGrade.

CIC had initially agreed to provide funding to NewGrade, to a maximum of $158.8 million for the purpose of assisting NewGrade in the construction and start-up of a heavy oil upgrader located in Regina, Saskatchewan. CIC has further agreed to provide additional amounts to NewGrade to fund cash deficiencies experienced as a result of start-up difficulties. CIC had made total investments in NewGrade of $232.0 million to December 31, 1991 (1990 - $229.7 million).

NewGrade had recorded accumulated losses of $231.3 million to October 31, 1991. Accordingly, CIC has reduced the carrying value of its investment to nil to reflect the decline in value of this investment. In future, any additional funding provided to NewGrade by CIC will be written off as the funding is provided.

5. INVESTMENTS IN SHARE CAPITAL CORPORATIONS (continued)

The subordinated debentures bear interest at Royal Bank prime plus two per cent. However, due to the uncertainty of receipt of these amounts, no interest income has been accrued in these financial statements. The total interest owing to CIC at December 31, 1991 was $60.3 million (1990 - $38.6 million).

CIC has pledged all of the shares and debentures purchased from NewGrade as collateral security for NewGrade's loans. In addition, the Province of Saskatchewan has guaranteed indebtedness of NewGrade to a maximum of $360.0 million.

b) The securities of CIC Industrial Interests Inc., NewGrade Energy Inc. and Saskatchewan Energy Holdings Ltd. are not publicly traded and therefore quoted market values are not available.

6. OTHER ASSETS

	Cost	Accumulated Amortization & Depreciation	Net Book Value 1991	Net Book Value 1990
		(thousands of dollars)		
Deferred charges	$ 44,803	$ 11,794	$ 33,009	$ 5,578
Equipment and furniture	947	854	93	110
	$ 45,750	$ 12,648	$ 33,102	$ 5,688

7. DEFERRED REVENUE

	Original Value	Accumulated Amortization	Net Book Value 1991	Net Book Value 1990
		(thousands of dollars)		
Deferred revenue	$ 4,482	$ 799	$ 3,683	$ 484

8. LONG-TERM DEBT

	1991			1990	
	Principal Outstanding		Average Interest Rate	Principal Outstanding	Average Interest Rate
	(thousands of dollars)				
Years to Maturity	U.S. Dollars	Canadian Dollars			
Canadian Dollar Issues					
1 - 5 years		$ 1,082,322	8.45%	$ 864,091	7.82%
6 - 10 years		1,186,460	9.91%	180,841	9.93%
11 - 15 years		372,309	10.59%	281,993	11.32%
16 - 20 years		226,649	9.56%	316,965	9.69%
		2,867,740		1,643,890	
United States Dollar Issues					
1 - 5 years	$ 50,000	66,560	13.58%	496,970	7.54%
Long-term debt		2,934,300		2,140,860	
Less: equity in sinking funds		(6,311)		(3,365)	
Total long-term debt		$ 2,927,989		$ 2,137,495	

a) All of the above noted long-term debt is denominated in Canadian dollars and is payable to the Province of Saskatchewan's Consolidated Fund. CIC completed a cross currency swap agreement with the Consolidated Fund in 1988 which effectively fixed the settlement price of the United States dollar loan totalling $50.0 million U.S. into $66.6 million Canadian.

b) Certain issues received from the Province of Saskatchewan totalling $437.2 million (1990 - $465.8 million) require that the issues be subject to redemption on six months notice.

c) Certain of the loans related to SEH (see Note 3) and advanced to CIC on December 31, 1989 carry sinking fund obligations whereby CIC must pay the Consolidated Fund a specified percentage of the original outstanding loan balance and the Consolidated Fund must invest these amounts, at interest, in a sinking fund. Upon maturity of the loans, the balance in the sinking fund will be used by CIC to repay the loan principal.

8. LONG-TERM DEBT (continued)

d) Principal repayments and sinking fund instalments due in the next five years are as follows:

	Principal	Sinking Fund	Total
	(thousands of dollars)		
1992	$ 285,947	$ 2,390	$ 288,337
1993	$ 396,255	$ 2,295	$ 398,550
1994	$ 364,578	$ 2,229	$ 366,807
1995	$ 7,720	$ 2,229	$ 9,949
1996	$ 94,382	$ 2,229	$ 96,611

9. EQUITY ADVANCES

CIC does not have share capital. However, CIC has received advances from the Saskatchewan Heritage Fund. The advances are non-interest bearing and are repayable at the discretion of the Saskatchewan Heritage Fund. The advances are considered to be an equity investment in CIC by the Province of Saskatchewan and are referred to as equity advances.

10. CONTINGENCIES

a) CIC has unconditionally guaranteed payment of indebtedness incurred by IPSCO Inc. under the terms of an operating lease which expires in 2007. The liability of CIC under the guarantee is limited to $65.0 million.

b) In May, 1991, CIC guaranteed Saskferco Products Inc.'s (Saskferco) line of credit with a chartered bank to a maximum amount of $38.2 million. Saskferco, however, had not yet drawn on this line of credit at December 31, 1991 and therefore no amounts were outstanding.

11. DIVIDEND INCOME

Dividends were declared to CIC as follows:

	1991	1990
	(thousands of dollars)	
Saskatchewan Power Corporation	$ -	$ 290,720
Saskatchewan Mining Development Corporation	-	195,014
Saskatchewan Telecommunications	-	85,753
CIC Industrial Interests Inc.	-	77,863
Saskatchewan Government Insurance	-	32,706
CIC Mineral Interests Corporation	-	24,111
	$ -	$ 706,167

12. PROVISION FOR DECLINE IN VALUE OF INVESTMENTS

The provision for decline in value of investments represents management's best estimate of the decline in value of the investments in certain corporations as evidenced by the investees' current year losses.

	1991	1990
	(thousands of dollars)	
Saskatchewan Mining Development Corporation	$ 166,300	$ -
CIC Industrial Interests Inc	160,617	-
NewGrade Energy Inc.	70,099	102,283
Saskatchewan Economic Development Corporation	42,633	19,547
Saskatchewan Transportation Company	6,454	5,339
Saskatchewan Forest Products Corporation	3,512	128
Agricultural Development Corporation of Saskatchewan	-	1,669
	$ 449,615	$ 128,966

a) Saskatchewan Mining Development Corporation (SMDC) had a deficit of $166.3 million at December 31, 1991, resulting primarily from a loss of $189.2 million on its investment in Cameco Corporation (Cameco) during the year. The loss on investment in Cameco consisted of the following: a dilution loss of $62.3 million arising from Cameco's sale of treasury shares in July 1991, which reduced SMDC's ownership interest in Cameco from 61.5 per cent to 49.2 per cent; a loss of $41.1 million on SMDC's sale of 5,333,334 Special Warrants in September 1991 which further reduced SMDC's ownership interest in Cameco to 38.9 per cent; a loss of $18.6 million which represented the reduction of the book value of the Cameco common shares placed in trust in September 1991 to the exercise price of the common share purchase warrants issued in September 1991; and a loss of $67.2 million arising from an adjustment to the carrying value of the remaining Cameco shares owned by SMDC to an appropriate carrying value.

b) CIC Industrial Interests Inc. (CIC III) had a deficit of $160.6 million at December 31, 1991, resulting primarily from three of its investments as follows:

- The Bi-Provincial Upgrader Joint Venture will incur cost overruns of approximately $365.0 million. Financial projections indicate, at best, a nominal return on CIC III's investment in the project 20 to 25 years into the future after capital costs are recovered. As a result, CIC III recorded a write down for its proportionate share of the overruns of $63.9 million.

- Due to uncertainties in the pulp and paper industry, CIC III recorded a write down of $47.3 million on the carrying value of its Weyerhaeuser Canada Ltd. income debenture at December 31, 1991.

- CIC III provided $50.0 million to Meadow Lake Pulp Limited Partnership (MLPLP) to pay for capital costs of the infrastructure primarily relating to environmental protection. MLPLP has no obligation to repay the amount and therefore CIC III recorded the entire amount as a non-recurring expense.

12. PROVISION FOR DECLINE IN VALUE OF INVESTMENTS (continued)

c) Other provisions for decline in value of investments noted above are the result of operating losses incurred by the various corporations.

13. RELATED PARTY TRANSACTIONS

Included in these non-consolidated financial statements are income and expense amounts resulting from routine operating transactions conducted at prevailing market prices with various Saskatchewan Crown controlled departments, agencies and Crown corporations to which CIC is related.

Account balances resulting from these transactions are included in the non-consolidated statement of financial position and are settled on normal trade terms.

Other amounts due to and from related parties and the terms of settlement are described separately in the non-consolidated financial statements and the notes thereto.

As at December 31, 1991, $313.7 million (1990 - $34.0 million) was invested at interest with the Consolidated Fund of the Province of Saskatchewan and is included in short-term investments.

14. PENSION PLAN

CIC's employees participate in the Capital Pension Plan Inc., a defined contribution pension plan. CIC's contributions to the pension plan are limited to making regular payments into the plan to match the required amounts contributed by employees for current service.

15. SUBSEQUENT EVENTS

a) CIC's financial status has deteriorated significantly in the last several years due to a rising debt load compounded by significant investment losses. Subsequent to December 31, 1991, a financial plan was developed whereby the Province would cancel $583.9 million of equity advances to CIC to enable it to clear its accumulated deficit, convert $875.0 million of CIC debt to equity advances and transfer the debt back to the Province and provide an annual budgetary expenditure to CIC to offset a portion of CIC's interest costs and investment losses. Implementation of the financial plan is contingent upon appropriate approvals as well as the passage of legislation.

b) In May 1992, CIC entered into a Memorandum of Undertaking with SEH, SPC and the Minister of Finance whereby CIC would effect a capital reorganization of both SEH and SPC. Subject to the terms of the agreement, effective July 1, 1992, SEH's debt would be reduced by $226.4 million and SPC's debt would increase by the same amount. As a result, the continuity of interest adjustment referred to in Note 3 a) would be eliminated.

CROWN INVESTMENTS CORPORATION OF SASKATCHEWAN

CORPORATE DIRECTORY

Crown Investments Corporation of Saskatchewan
2400 College Avenue
Regina, Saskatchewan
S4P 1C8

Inquiry No.: (306) 787-6851
Chairperson: Hon. N. Shillington
Acting President: D. R. Ching

Crown Corporations and Subsidiaries

CIC Industrial Interests Inc.
2400 College Avenue
Regina, Saskatchewan S4P 1C8
Inquiry: (306) 787-6851
Chairperson: Hon. E. Tchorzewski
President: D. R. Ching

CIC Mineral Interests Corporation
2400 College Avenue
Regina, Saskatchewan S4P 1C8
Inquiry: (306) 787-6851
Chairperson: Hon. N. Shillington
President: D. R. Ching

Saskatchewan Computer Utility Corporation
2400 College Avenue
Regina, Saskatchewan S4P 1C8
Inquiry: (306) 787-6851
Chairperson: Hon. C. Teichrob

Saskatchewan Development Fund Corporation
2400 College Avenue
Regina, Saskatchewan S4P 1C8
Inquiry: (306) 787-1645
Chairperson: Hon. E. Tchorzewski
General Manager: D. Axtell

Saskatchewan Economic Development Corporation
1106 Winnipeg Street
Regina, Saskatchewan S4R 1J6
Inquiry: (306) 787-7200
Chairperson: Hon. D. Lingenfelter
Acting President: O. Mitchell

Saskatchewan Energy Holdings Ltd.
1100 - 1945 Hamilton Street
Regina, Saskatchewan S4P 4B1
Inquiry: (306) 777-9400
Chairperson: Hon. D. Lingenfelter
President: C. W. Baker

Saskatchewan Forest Products Corporation
P.O. Box 40
Hudson Bay, Saskatchewan S0E 0Y0
Inquiry: (306) 865-2201
Chairperson: Hon. D. Cunningham
President: D. Vizina

Saskatchewan Government Insurance
2260 - 11th Avenue
Regina, Saskatchewan S4P 0J9
Inquiry: (306) 565-1200
Chairperson: Hon. D. Lingenfelter
President: B. Heidt

Saskatchewan Mining Development Corporation
2400 College Avenue
Regina, Saskatchewan S4P 1C8
Inquiry: (306) 787-6851
Chairperson: Hon. J. Penner
President: D. R. Ching

Saskatchewan Power Corporation
2025 Victoria Avenue
Regina, Saskatchewan S4P 0S1
Inquiry: (306) 566-2121
Chairperson: Hon. D. Lingenfelter
President: J. Messer

Crown Corporations and Subsidiaries (Continued)

Saskatchewan Telecommunications
2121 Saskatchewan Drive
Regina, Saskatchewan S4P 3Y2
Inquiry: (306) 777-3737
Chairperson: Hon. C. Teichrob
President: M. Bernard

Saskatchewan Transportation Company
2041 Hamilton Street
Regina, Saskatchewan S4P 2E2
Inquiry: (306) 787-3353
Chairperson: Hon. C. Carson
President: P. Glendinning

Saskatchewan Water Corporation
111 Fairford Street East
Moose Jaw, Saskatchewan S6H 7X9
Inquiry: (306) 694-3900
Chairperson: Hon. D. Cunningham
President: B. Woodcock

Major Investments

Bi-Provincial Heavy Oil Upgrader
c/o Husky Oil Ltd.
700 - 9th Avenue, S.W.
Box 6530, Station D
Calgary, Alberta T2P 4B5
Inquiry: (403) 298-6111
Chairperson: J. Miller

Cameco Corporation
2121 - 11th Street West
Saskatoon, Saskatchewan S7M 1J3
Inquiry: (306) 956-620[illegible]
Chairperson: W. Gatenby
President: B. Michel

Meadow Lake Pulp Limited Partnership
Millar Western Pulp (Meadow Lake) Ltd.
P.O. Box 3220
Meadow Lake, Saskatchewan S7M 1J3
Inquiry: (306) 236-4004

NewGrade Energy Inc.
P.O. Box 260
Regina, Saskatchewan S4P 3A1
Inquiry: (306) 721-2547
Co-Chairperson: T. Hanlon
Co-Chairperson: H. Empey

Potash Corporation of Saskatchewan Inc.
500, 122 - 1st Avenue South
Saskatoon, Saskatchewan S7K 7G3
Inquiry: (306) 933-8500
Chairperson: C. Childers
President: C. Childers

Saskferco Products Inc.
Suite 215, 1874 Scarth Street
Regina, Saskatchewan S4P 4B3
Inquiry: (306) 525-0941
President: M. Chorlton

Saskatchewan Oil and Gas Corporation
1771 Victoria Avenue
Regina, Saskatchewan S4P 3C4
Inquiry: (306) 781-8200
Chairperson: T. Hanlon
President: T. Renner

ISM Information Systems Management Corporation
1 Research Drive
Regina, Saskatchewan S4S 7H1
Inquiry: (306) 781-5151
Chairperson: D. G. Koyl
President: J. Garrett